THE IMPACT OF SOCIAL MEDIA MARKETING ON PURCHASE DECISIONS IN THE

TYRE INDUSTRY

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DECLARATION

I, Monica Ramsunder, in accordance with Rule G4.6.3 hereby declare that:

- The work in this paper is my own original work;
- All sources used or referred to have been documented and acknowledged by complete referencing; and
- This dissertation has not been previously submitted in full or partial fulfillment of the requirements for an equivalent or higher qualification at any other recognised educational institution.

Monica Ramsunder

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ABSTRACT

Technology and the boom of the internet have encouraged people to connect with each other, share information and build relationships (Stelzner, 2009; 2010) and the social web has presented a new form of communication through social media which allow people to interact and converse with each other (Evans, 2010). This presents marketers with the opportunity to affect consumers purchase decisions through online marketing and social media. This social engagement by consumers has significant impact on marketing activities as marketers need to be aware of the factors affecting consumer's purchase decision (Evans, 2010). Continental Tyre South Africa (CTSA), a local tyre manufacturer, is embarking on a social media marketing strategy. No other local tyre manufacturer has a presence on social media platforms. As a result CTSA would have first mover advantage. The main objective of the research that follows is to establish if South African tyre purchasers are supportive of social media as an online research tool to learn more about tyre brands. The significance of this research study is that marketing communications has taken on a different dimension with the growth of online market places and the natural step for CTSA is to engage in social media marketing.

The literature review revealed that many modern consumers sought peer advice over social networks thus social media has promoted consumer-to-consumer communication and has made it possible for consumers and brands to interact with each other (Mangold and Faulds, 2009). It was concluded that whilst social media marketing presents marketers with a more cost effective form of marketing, further research regarding South African's online purchasing activities would be required to assess if the time, money and resources required to manage social media marketing for CTSA would be beneficial to the organisation. As a result a qualitative empirical study was conducted by means of a questionnaire. The research elements were broken down into three segments; the internet and social media, consumer-brand engagement and online

recommendations.   The research revealed that social media marketing is an appropriate strategy for CTSA. The main findings further revealed that CTSA would need to engage in an aggressive traditional marketing campaign in order to drive consumers to engage in the social media campaigns. Strategies must include dedicated social media fan pages, online banners, and online advertisements. Based on the research analysis it is recommended that that most appropriate social media platforms for CTSA to launch social media marketing activities are Facebook and Twitter.

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LIST OF COMMONLY USED ACRONYMS

CTSA   **Continental Tyre South Africa**

WOM   **Word of mouth**

eWOM   **Electronic word of mouth**

CHAPTER 1

INTRODUCTION

Marketing is not the art of finding clever ways to dispose of what you make. It is the art of creating value

Philip Kotler (2011)

1.1 INTRODUCTION

Globalisation as described by Hill (2009) is the shift towards a more integrated and interdependent world economy thereby merging historically distinct and separate national markets into one huge global marketplace. The Economic Intelligence Unit (2009) reported that during the recession which commenced in 2007, the global market place was affected by changes in exchange rates, inflation and consumer purchasing behaviour. These changes in the economy forced organisations to remodel business strategies in order communicate their brands more effectively. Davis (2001) writes that one of an organisation's most valuable assets is its brand and the modern organisation needs to realise that capitalising on its brand is important as it can help achieve growth, profitability objectives and sustainability.

Brands can be built by means of advertising, meeting customer specific needs, associating a specific type of image to a product, identifying and closing a gap that competitors have not identified, aggressive communication and pricing strategies (Burger, 2009). As recessions are times of high anxiety, it was important for organisations to keep honest, open channels of communication and maintain a good reputation in the most cost effective way (Economic Intelligence Unit, 2009). One of the most popular means of communicating brands during the recession was through social media marketing; online or electronic media which facilitates participation, openness, conversation, community and connectivity amongst online users (Mayfield, 2008).

Social media such as Facebook, Twitter and YouTube are dynamic tools that facilitate online relationships (Golden, 2011). It is a relatively low cost form of marketing and allows organisations to engage in direct and end-user contact (Kaplan and Haenlein, 2010). Given the choices made available to consumers and the influential role of social media marketing, the brands and consumers have a changing role to play in the organisation's strategy in that they now have an economic impact (Lindermann, 2004; Mayfield, 2008). Brands influence customer choice. Customers influence other customers. These chains of events affect repurchases, which further affect future earnings and long term organisational sustainability (Oliveira and Sullivan, 2003).

A leading brand thus influences consumer's buying behaviour and creates value by generating demand (through repurchases) and securing future earnings for the business (Oliveira and Sullivan, 2003). Therefore social media marketing represents communication opportunities and requires new and unconventional thinking (Kaplan and Haenlein, 2010; Kweskin, 2007) to ensure that consumers experience brand orientation and product orientation (Xiaofen and Yiling, 2009). This new era of social engagement and digital communication is paramount to business strategy. As organisations become more globally competitive it is important for marketing strategy to explore more innovative and compelling avenues to attract larger pools of customers (Rockendorf, 2011). On assessing the South Africa tyre industry from a social media marketing perspective, it is evident that none of the four local tyre manufacturers (Continental, Goodyear, Dunlop and Bridgestone) have a presence on social media platforms (Facebook, 2011; Twitter, 2011). This presents marketers in the tyre industry with the opportunity to utilise new and innovative marketing tools to communicate tyre brands in the local and global market place in order to activate consumer's purchasing decisions (Rockendorf, 2011). This leads to the research problems as outlined below.

1.2 MAIN RESEARCH PROBLEM

The social phenomena investigated in the research study that follows are the elements of consumer's purchasing behaviour in online environments and the influence of social media marketing in the consumer's purchase decision. The main problem which this study aims to address is South African consumer's attitudes toward online tyre research; more specifically the impact of social media marketing as a research tool during the consumer's decision making process when purchasing tyres.

1.3 RESEARCH QUESTIONS

The main problem as discussed in section 1.2 above is too large to be resolved without breaking it down into research questions. By solving the main problem through the research questions, the researcher obtains a better methodology of approaching and investigating the problem. This means that the main problem is resolved in component parts (Leedy and Ormrod, 2005).

The research questions have been identified as follows:

Research question 1

- What are the key elements contributing to effective marketing strategy?
    - What are the traditional elements of marketing strategy?
    - What is the new role of the 7P's marketing mix in terms of consumer engagement?
    - How can marketers affect consumers during the consumer's purchase decision journey?

Research question 2

- What is an ideal social media marketing strategy?
    - How can marketers utilise social media marketing tools effectively to reach consumers during the consumer's purchase decision journey?

Research question 3

- What are the perceptions of South African consumers regarding social media as an interactive channel of communication between consumers and brands?
    - Are South African consumers willing to engage with brands on social media platforms to increase their knowledge about the brand's performance, specification, capabilities and price?
    - Are South African consumers willing to share their opinions, perceptions and experiences regarding tyre brands and tyre purchases with other consumers on social media platforms?

Research question 4

- Does social media marketing present an opportunity for CTSA to reach consumers in online environments?
    - Will electronic marketing and social media marketing be an appropriate strategy for CTSA to communicate information about tyre brands to the South African tyre market?
    - Which social media marketing tools would be most effective for CTSA to apply when implementing social media marketing strategy in the South African tyre market?

1.4 THE RESEARCH OBJECTIVES

- **Internet and social media:** The research objective is to assess if marketing activities to stimulate the need for the brand or product through aggressive online marketing communication (brand awareness) will be effective through company websites and/or social media platforms.
- **Brand-consumer engagement:** The research objective is to assess if consumers are interested in engaging with brands (via marketers) on social media platforms to increase their knowledge about the brands performance, specification, capabilities and price.

- **Online recommendations:** The research objective is to assess if consumers are willing to engage in word of mouth (WOM) by sharing opinions, perceptions and experiences regarding tyre brands and tyre purchases with other consumers.

1.5 PRIOR RESEARCH

Virtual worlds are the medium for formal and informal collaboration between consumers and organisations and the virtual business environment is a critical determinant of competitiveness (Cohen, 2008). Today's consumer is a proactive buyer (Peppard and Butler, 1998) and online consumers can provide marketers with valuable cultural and marketing information (Brown, Broderick and Lee, 2007). In order to understand consumers in the virtual world, it is important to understand how consumers make purchase decisions (Peppard and Butler, 1998). The growth of social media has allowed for increased situational awareness in terms of a changing environment (Mayfield, 2011) thus social media marketing is playing an increasingly important role in marketing (Cuming, 2008).

Fauser, Weidenhofer and Lorenz (2011) conducted a research study regarding the impact of social media during the consumer's purchase decision journey. In their analysis and conceptual model, Fauser *et al.* (2011) wrote that whilst communication was the core of any social media platform, information sharing, collaboration and relationship building was necessary to support ongoing communication. The study (Fauser *et al.*, 2011) concluded that social media marketing is an essential tool for marketing brands and products due to the rapid development in social media and changes in consumer behaviour. The results proved that social media can be effective in influencing consumers during all stages of the consumer's purchase decision journey.

Cuming (2008) conducted a research study in the United States of America (USA) to explore consumer's relationships on social media platforms. The

analysis revealed that overall online information played an influential role in the consumer's final purchase decision. The study concluded that consumers who frequented social media platforms were more likely to be influenced in their final purchase decision (Cuming, 2008).

A limitation of these two sets of previous research (Cuming, 2008; Fauser *et al.*, 2011) is that the research samples did not include the South African market. The results from the prior research are addressed in detail in the literature review in chapter three (3.4.2 social media marketing and the consumer's purchase decision). The literature review in chapter three concluded that whilst social media marketing presents marketers with a more cost effective form of marketing, further research regarding South African's online purchasing activities would be required to assess if the time, money and resources required to manage social media marketing for CTSA would be beneficial to the organisation.

1.6 DEFINITION OF KEY CONCEPTS

The following terms and phrases are repeated throughout the research study. These terms and phrases are defined by the Business Dictionary (2011) as follows:

- **Brands** are unique designs, signs, symbols, words, or a combination of these, employed in creating images that identifies a product and differentiates it from its competitors. Over time, these images become associated with a level of credibility, quality, and satisfaction in the consumer's mind.
- **Connectivity** refers to a consumer's access and ability to participate in online communications life.
- **Consumers** are purchasers of specific products and/or services.

- **Differentiation** is the result of efforts which make a product or brand stand out as a provider of unique value to customers in comparison with its competitors.

- **E-Marketing** is the application of marketing principals through electronic resources such as the internet.

- **eWOM** is electronic word of mouth; the sharing of thoughts and/or perceptions by means of electronic or digital communication.

- **Internet** is a worldwide interconnection of computers and computer networks that facilitate the sharing or exchange of information.

- **Marketing** is the management process through which goods and services move from concept to the customer.

- **Marketing mix** is a planned mix of the controllable elements of a product's marketing plan commonly termed as 4Ps: product, price, place, and promotion. The new marketing mix is commonly termed as the 7P's and includes people, process and physical evidence.

- **Marketing management** is a process of identifying, anticipating and satisfying consumer requirements.   This involves tracking and reviewing an organisation's marketing resources and activities.

- **Marketing strategy** is the process whereby an organisation aligns itself to the market it has decided to serve. It integrates an organisation's marketing goals and focuses on the ideal marketing mix to achieve maximum profit potential.

- **Online research** is a means of research which allows the researcher to investigate a phenomenon and collect data through the internet.

- **Social media** involves natural and general conversation between people about a topic of mutual interest (e.g. Facebook, Twitter, Linkedin and Blogs). Social media facilitates the exchange of information via email, chat rooms, blogs, discussion forums, digital audio, images and movies.

- **Social media marketing** represents marketing communication opportunities in virtual or online environments.

- **Target markets** are groups of specific consumers at which marketing strategies are focused.
- **Word of Mouth (WOM)** is a consumer dominated channel of marketing and has significant influence on the consumer's information search, evaluation of alternatives and final decision to purchase a product and/or service

1.7 DELIMITATION AND LIMITATION OF THE RESEARCH

In order to ensure that the main problem and research questions are addressed appropriately it is important to establish the scope and boundaries of the research. This is referred as the delimitation of the research (Leedy and Ormrod, 2005).

1.7.1 THE INDUSTRY

The research focuses specifically on the South African tyre industry. The South African tyre manufacturing industry consists of four major manufacturers, operating in six manufacturing locations nationwide. These manufacturers are listed in table 1.1 below.

Table 1.1: Overview of South African tyre manufacturers

Company	South African Manufacturing Site	Source of Major Shareholders
Apollo Tyres South Africa (Pty) Ltd	Durban and Ladysmith	India
Bridgeston South Africa (Pty) Ltd	Port Elizabeth and Brits	Japan
Continental Tyre South Africa (Pty) Ltd	Port Elizabeth	Germany
Goodyear South Africa (Pty) Ltd	Uitenhage	United States of America (USA)

Source: Rubbersa (2011)

The industry manufactures tyres for passenger, commercial, agricultural, mining, construction and industrial vehicles with an annual output of approximately twelve million tyres per year. This level of output represents 1% of the total world tyre manufacturing capacity (Rubbersa, 2011).   Tyres are sold directly to

consumers by means of tyre retailers; more commonly known as tyre fitment centres (Continental, 2011). The South African foot print for tyre retailers is represented by Continental (2011) in table 1.2 below:

Table 1.2: South African footprint for tyre retailers

Tyre retailers	No. of dealerships
Autoquip	10
Conti Partner	146
Dunlop Accredited Dealers	39
HI-Q	175
Kwikfit	60
Maxiprest	65
Mintys	10
Speedy	71
Supaquick	254
Tiger Wheel & Tyre	62
Trentyre	80
Other Independants (Estimated)	200
TOTAL	1172

Source: Continental (2011)

1.7.2 THE ORGANISATION

Continental is an international tyre and rubber manufacturer founded in Hanover Germany in 1871. Today, Continental ranks among the top four tyre manufacturers (Bridgestone, Dunlop and Goodyear) worldwide with business units in forty six countries including South Africa (Continental, 2011). CTSA is located in Port Elizabeth and manufactures the Continental, General Tyre and Barum brands in South Africa (Continental, 2011). The current business model includes strategies for original equipment manufacturers (automotive vehicle manufacturers) and for the replacement (after sales) market.

1.7.3 GEOGRAPHICAL AREA

The research field study was limited to two tyre dealerships in Pretoria, namely:

- Autowiel Hi-Q Menlyn; and
- Autowiel ContiPartner Montana.

Hi-Q is a Goodyear Franchise and ContiPartner is based on a loyalty programme with Continental. These two dealerships were specifically chosen to ensure that the results of the survey were not biased toward the Continental brand.

1.7.4 THE UNIT OF ANALYSIS FOR THE STUDY

The unit of analysis is the major entity under study. The research problem is based on this unit and data is collected and analysed around it (Trochim and Donnelly, 2006). The unit of analysis in this study was the South African tyre consumer who purchased two or more tyres in a single purchase at the Autowiel tyre dealerships in Pretoria, South Africa. The rational for this sample selection is that multiple tyre brands and a mix of tyre tread patterns on a single vehicle are not recommended by the tyre industry due to safety considerations (Continental, 2011). It is therefore more likely for a consumer to consider alternate tyre brands and/or different tyre sizes when they purchase two or more tyres for their vehicle(s).

1.7.5 SUBJECTS TO BE STUDIED

The research study which investigates impact of social media marketing on a consumer's purchase decision in the South African tyre industry addresses:

- Traditional marketing strategies;
- The consumer's purchase decision journey; and
- Social media marketing strategy.

1.8 SIGNIFICANCE OF RESEARCH

Social media as explained by Mayfield (2011) is changing the way information is communicated to and from people around the world. The rapid use of social media is changing the way organisations respond to consumer's needs and wants and changing the way they respond to their competitors (Mayfield, 2011). Marketers now have the opportunity to engage in broader and more innovative forms of online mass media communications by using social media marketing tools (Stelzner, 2010). Social media marketing is about passion, emotion and genuine expression towards a brand (Brandz, 2010). The growth of social media and by association eWOM (electronic word of mouth) has enabled consumers to interact with each other in the virtual world and to share their perceptions and opinions of brand value (Gruen, Osmonbekov and Czaplweksi, 2005). Social media marketing thus represents communication opportunities for marketers to reach wider audiences (Kweskin, 2007) and allows for marketers to access valuable information which affects building and maintaining consumer relationships (Evans, 2010).

The growth of social media has allowed for increased situational awareness in global online environments (Mayfield, 2011) thus social media marketing is playing an increasingly important role in marketing strategy (Cuming, 2008). Based on the literature reviews (detailed in chapters two and three), the author identified a gap in the South African tyre market for CTSA to capitalise on. Continental ranks among the top four tyre manufacturers; Bridgestone, Continental, Dunlop and Goodyear. At present none of these local tyre manufacturers have a presence on social media platforms (Facebook, 2011; Twitter, 2011).

The significance of this research study is that marketing communications has taken on a different dimension and the natural step for CTSA is to engage in social media marketing. CTSA would be the first local tyre manufacturer to launch Facebook and Twitter social media pages thereby giving CTSA first

mover advantage. The benefits would include creating mass online brand awareness, providing consumers with a means of researching tyre brands in online environments and creating new platforms for consumers to interact with the brand and other tyre consumers.

Therefore further insight is required to assess South African consumer's attitudes towards online research, more specifically the impact of social media as a research tool during the consumer's decision making process in the tyre industry. The author proposed that the research study focused on the conceptual frame work (as per chapter four, figure 4.2). The specific research objectives were identified as follows:

- The internet and social media as a research tool;
- Consumer-brand engagement; and
- Online recommendations as electronic word of mouth (eWOM).

1.9 RESEARCH DESIGN AND METHODOLOGY

As the social phenomena under review are reliant on the participant's views, opinions and perceptions, qualitative research methodology was identified as the appropriate research methodology for the research study that follows (Collis and Hussey, 2009). The research instrument used in this study was a questionnaire which was designed specifically for the purpose of this research study. The questionnaire was based on the literature review and specifically addressed:

- Demographic information;
- Accessibility and hours spent on the internet;
- Uses of the internet;
- Awareness of social media;
- Social media as a form of engagement between the consumer and the brand; and
- Social media as a form of eWOM.

The questionnaire was initially tested by conducting a pilot study at a tyre dealership in Port Elizabeth, South Africa. Following feedback and suggestions from the pilot study, the questionnaire was revised. The official field study was conducted in Pretoria, South Africa. The response rate was 80%. The data collected from the research study will be reviewed in conjunction with the literature study to authenticate the findings and recommendations in chapters five and six respectively.

1.10 PROPOSED CHAPTERS

The research study consists of six chapters as follows:

- **Chapter one** introduced the research topic, the main problem and research questions. It further outlined the significance of the research and the appropriate research methodology required to achieve the research objectives.

- **Chapter two** will discuss traditional marketing mix strategies (4P's) and the emerging role of the 7P's. This chapter will also provide a literature review on the elements of brand equity and the role of marketing in the consumer's purchase decision journey.

- **Chapter three** focuses on electronic marketing, social media and the role of social media marketing in the consumer's purchase decision journey. This literature review includes results from two previous social media marketing research studies and will highlight the opportunities available to social media marketers.

- **Chapter four** outlines the research methodology and research instrument which is deemed appropriate for the field study.

- **Chapter five** analyses and discusses the results based on the field study (questionnaire). The analysis of results from the study will either support or negate the main problem and research questions as outlined in chapter four.

- **Chapter six** will summarise and conclude the research study. The author will provide recommendations and suggest elements for future research based on the current research

1.11 SUMMARY

This chapter introduced the research topic together with a brief overview of the literature review. The main problem was defined and further broken down into research questions to enable the researcher to investigate the phenomena more accurately. The main problem and research questions are pertinent to the South Africa tyre industry therefore the author provided a brief overview of the South African tyre manufacturing industry and the significance of the research to CTSA. The literature review which follows in chapter two will review traditional marketing mix strategies and the emerging role of the 7P's as well as elements of brand equity and the role of marketing in consumer's purchase decision journey.

CHAPTER 2

LITERATURE REVIEW – MARKETING STRATEGY

2.1 INTRODUCTION

Marketing is a goal orientated process and consists of interrelated activities that involve both the planning and executing of activities which bring about mutually satisfying exchanges between buyers and sellers (Loudon, Stevens and Wrenn, 2005). Marketing strategy is about creating value for customers (Kotler and Armstrong, 2004) and marketing strategy should deliver value to its customers in ways that build and improve relationships (Armstrong, Harker, Kotler and Brennan, 2009). The 4P's marketing mix is the traditional tool box used by marketers to communicate value propositions to consumers (Constantinides, 2006). However some marketing guru's argue that in the global arena, the elements of people, process and physical evidence need to be included in marketing strategy. Thus the marketing mix has expanded into the 7P's (The Chartered Institute of Marketing, 2009). Taking these elements of the marketing mix into account, marketers need to focus marketing strategy on brand awareness, brand associations, perceived quality of the brand and consumer loyalty to the brand in order to appeal to consumers as they make their purchase decisions (Aaker and Joachimsthaler, 2000).

Marketing's role is to communicate the value proposition to consumers as they move through a purchase decision making process (Court, Elzinga, Mulder and Vetvik, 2009) and build relationships with them which ultimately results in relationship marketing (Kiang, Raghu and Shang, 2000). This presents marketers with the opportunity to affect consumer's purchase decisions through marketing strategy. The literature review that follows discusses the traditional role of marketing, the evolution of the marketing mix and the role of marketing strategy during the consumer's purchase decision journey.

2.2 MARKETING AND MARKETING MANAGEMENT

Kotler (2011) writes that *"marketing is not the art of finding clever ways to dispose of what you make. It is the art of creating value."* Marketing as described by Silk (2006) is the process which a firm creates value and in turn value is created by meeting customer needs. Value is the difference between the total costs of making a purchase and the total benefits received from the product and/or service (Kotler and Armstrong, 2004). It is the combination of product quality, service support and timely delivery at a reasonable price (Rein, Kotler, Hamlin and Stoller, 2005). Hoffman, Dickson, Griffin, Krishnan, Ronkainen, Rosenbloom, Sheth, Shimp, Siguaw, Simpson, Speh and Urbany (2005) describe marketing as "the planning and implementation of almost everything an organisation does to facilitate an exchange between itself and its customers." Marketing as defined by Kotler and Armstrong (2004) is a social and managerial process. It is an activity which facilitates exchanges between buyers and sellers; a function within an organisation which communicates the organisation's value proposition as a philosophy which affects an entire organisation's dealing within the market place (Kotler and Armstrong, 2004). Thus marketing management involves specific elements of product, pricing, promotions and distribution (Rein *et al.*, 2005).

Marketing management may be defined as the process of identifying, anticipating and satisfying consumer requirements. Marketing takes into account the external environment and the conditions that influence marketing plans (The Chartered Institute of Marketing, 2009). This means that marketing efforts need to be carefully strategised and implemented in order to facilitate an exchange under new and changing environmental conditions in order to build consumer relationships and influence consumer behaviour (Hoffman *et al.*, 2005). As organisations build and maintain consumer relationships, they need to provide consumers with a competitively compelling value proposition to meet their specific needs (Vargo and Lusch, 2004). Therefore organisations need to monitor the external environment (Hoffman *et al.,* 2005) and customer interaction (The

Chartered Institute of Marketing, 2009) and learn how to improve the organisation's value proposition to the consumer (Vargo and Lusch, 2004). Based on the above definitions, it can be concluded that marketing is a study of the market place which results in an organisation's ability to offer a value proposition to a consumer at the right place, the right time and at a competitive price to bring about a mutual exchange between the buyers and sellers (Kotler and Armstrong, 2004; Vargo and Lusch, 2004; Hoffman *et al.*, 2005; Silk, 2006 and Kotler, 2011).

Marketing activities are crucial to management decisions and creating value for consumers (Kiang *et al.*, 2000). Two strategies critical to creating value are (1) segmenting and selecting target markets and (2) planning specific marketing activities to attract and retain the selected market (Silk, 2006). Market segmentation is the process of analysing the market and dividing the market into specific groups of consumers. This allows marketers to tailor specific marketing activities to reach the targeted consumers (Kumar, 2004). Segmentation analysis helps marketers understand the demographic environment in terms of population size, age, sex, gender, education, buying behaviour, market growth and disposable income (Loudon *et al.*, 2005). This analysis is critical to relationship marketing as it builds the foundation for customer retention strategy by allowing marketers to continuously monitor and respond to the markets changing needs and wants (Gronroos, 1994).

According to Loudon *et al.* (2005) target markets must be:
- **Sizeable**: The market must be large enough to justify marketing spend and generate sales revenue;
- **Identifiable**: Marketers must have a clear description of the target market and identify if this market is appropriate for the product;
- **Reachable**: Marketers must be able to clearly identify segments but also be able to reach them selectively (e.g. through specific promotional campaigns);

- **Respond differently**: Marketing activities must be tailored to meet the specific needs of the target market;
- **Coherent**: Ideally the segmented market have similar attitudes, behavioural attributes, and other characteristics which are key to developing marketing campaigns and promotions; and
- **Stable**: Marketers must be able to reach target markets over a long period of time in order to establish brand presence and build brand loyalty.

Society, including business and marketing is a network of relationships. This means that human interaction is the core of any business (Silk, 2006). Marketers will need to engage in market research to segment the markets in order to define the target markets, identify and influence the changing needs and wants of their consumers (Burger, 2009; Rockendorf, 2011). Marketers must further clearly differentiate products and marketing mixes from competitors and engage in continuous market research and market communications to ensure that there is strategic fit and alignment between the organisation, the value proposition and the target markets (Burger, 2009).

Market communications are important to building relationships as they influence consumer behaviour by facilitating the exchange between buyers and sellers thereby increasing interactivity, improving the perceptual experience and finally improving personalisation (Kiang *et al.*, 2000). Peppers and Rogers (2010) write that customers are every organisation's source of revenue, thus an organisation's most valuable financial asset is its customer base. In order to attract and retain consumers through market communications and manage the customer base marketers need to understand consumer's purchasing behaviour and develop specific marketing strategies to influence this behaviour thereby facilitating relationship marketing (Silk, 2006).

Relationship marketing thus translates into consumer-in-focus (market segmentation), consumer satisfaction, consumer-perceived quality and consumer

retention marketing activities (Gummesson, 2002). The concept of relationship marketing may be understood via customer relationship management (CRM); a strategy that focuses on creating two-way exchanges with consumers and allows marketers to obtain intimate knowledge about consumer's needs, wants and buying patterns (Jha, 2008).

Raab, Ajami, Gargeya and Goddard (2008) summarise the key elements of CRM as follows:

- **Customer orientation**: Marketing's complete focus should be on the consumer's potential needs, wants and problems. Marketers should therefore have exact knowledge of market competition, products available to the customer and the general course and trend of customer buying behaviour. This knowledge will assist marketers in applying the marketing mix effectively to marketing strategies;

- **Quality of product and quality of service performance**: The focus should be on quality in relation to the competition. Strategic decisions must include finding a product suitable for the customer instead of finding customers for the product;

- **Customer satisfaction**: If customers are satisfied with their experience with the product or service, they will be inclined to refer the product or service to others;

- **Customer retention:** Organisations that succeed in meeting or exceeding customers expectations generate customer satisfaction which in turn retains customers and creates a basis for future business with them; and

- **Customer value and company success**: As long as customers recognise value in a product or service they will be loyal to the product or service and generate future sales and revenue. This represents long term sustainability for the organisation.

Taking into account the above elements, CRM may be described as the strategic process of shaping interactions between consumers and the organisation thereby attracting and retaining consumers by creating satisfaction and long term value (Raab *et al.*, 2008). It is concluded that relationships, networks, interaction and suitable value propositions are the core of relationship marketing and may be facilitated through the marketing mix (Gummesson, 2002; Silk, 2006 and Raab *et al.*, 2008).

2.2.1 THE MARKETING MIX

The marketing mix has been the traditional tool box and foundation for marketing management (Constantinides, 2006). The main aim of the marketing mix is to inform, remind and persuade consumers to purchase products and/or services (Williams and Curtis, 2006).

Figure 2.1: The traditional marketing mix

Source: Adapted from Hoffman *et al.* (2005)

Based on figure 2.1 above, Hoffman *et al.* (2005) describes the traditional marketing mix (4P's) as follows:

- **Product** : The offering which provides value to the consumer;
- **Price**:   Competitive pricing which offers consumers better value for money;
- **Place**: The availability of a product at the right place, the right time and right quantity; and
- **Promotion**: The way firms communicate its product offering (value proposition) to consumers.

The traditional role of the marketing mix has been to promote brands, stimulate market demand for the brand, increase brand awareness and remind and reinforce perceptions about the brand (Williams and Curtis, 2006). New waves in technology allow the modern consumer to be participative in the marketing process (Kotler, Katajaya and Setiawan, 2010). Therefore today's consumers are well informed and are able to compare and contrast several product offerings. Constantinides (2006) is critical in his assessment of the traditional marketing mix stating that the 4P's ignore the human factor and that it lacks interactivity. The 4P's lack personalisation and ignores the dynamic and social marketing process in the virtual world (Constantinides, 2006).

Globalisation has further challenged the traditional marketing practices of the 4P's by creating a broader customer interface through the internet. (Kotler *et al.*, 2010).   Marketers now have the opportunity to provide its customers with additional value associated to technology, information, knowledge and social activities thereby creating more personalised marketing strategies (Evans, 2010). This enables marketers to develop more personalised and social marketing strategies aimed at specific consumers to initiate long lasting relationships (Gummesson, 2002).

The Chartered Institute of Marketing (2009) writes that in order to reach consumers more socially and in online environments an additional 3P's had to be included in the marketing mix:

- **People**: Employees, consumers and any other person who comes into contact with consumers;

- **Process**: The process of service delivery to consumers; and

- **Physical Evidence**: Testimonies of good service, professional facilities and an overall professional atmosphere.

Therefore the marketing mix has evolved into the 7P's; product, price, promotion, place, people, process and physical evidence (Chartered Institute of Marketing, 2009). The 7P's are now represented in figure 2.2 below (Cant, Strydom and Jooste, 2006).

Figure 2.2: The 7P's marketing mix

Source: Adapted from Cant *et al.* (2006)

Cant *et al.* (2006) support the argument presented by The Chartered Institute of Marketing (2009) that the traditional 4P's are inadequate to ensure full customer satisfaction; processes and people are integral parts of the total marketing mix and contribute to quality products and services being delivered to customers. They (Cant *et al.*, 2006) elaborate that only when synergy among all the elements of the marketing mix is achieved can customer satisfaction can be ensured. This synergy is represented in figure 2.2 above. Therefore all elements of the marketing mix play an important role in communicating the brand's message to the consumer (Wood, 2000). Creating integrated marketing communications by coordinating the elements of the marketing mix is an effective means of achieving the objective of promoting the brand (Williams and Curtis, 2006).

Williams and Curtis (2006) explain that the role of the 7P's marketing mix, with emphasis on communications will be to:

- Differentiate the brand;
- Remind and reassure the targeted audience of the brands image and benefits;
- Re-inform the target audience by providing them with new and current information about the brand; and
- Persuade the target audience to take a specific set of actions (e.g. visit the brand's website).

This new role of the marketing mix allows marketers to build brand awareness and support amongst influencers in society who are able to promote the brand in social circles (Cant *et al.*, 2006; Williams and Curtis, 2006). Taking the 7P's marketing mix into account, marketers need to always consider the external environment, carefully segment the market and identify consumers, research their needs and preferences and analyse their attitude towards the elements of the marketing mix, particularly the element of promotion (The Chartered Institute of Marketing, 2009). Communication and promotion of the brand identity and

brand image are key components of the marketing mix strategy and must be customised in order to meet the needs and wants of the consumer. This facilitates relationship building between the brand and the consumer which in turn facilitates relationship marketing (Wood, 2000; The Chartered Institute of Marketing, 2009).

Gronroos (1994) explains that relationship building has now been labelled as relationship marketing. The marketing mix as part of marketing management must be considered as a business philosophy and marketers must consider relationship marketing when setting marketing strategies (Hoffman *et al.*, 2005). It is therefore concluded that the objective of a marketing mix strategy is to establish the successive and simultaneous actions of consumer's purchasing decisions (Belohlavek, 2008). Relationship marketing places its main focus on building long term relationships between organisations and its customers and all efforts in an organisation should be geared toward building these relationships (Cant *et al.*, 2006). In relationship marketing, interactive marketing becomes the dominating part of the marketing function; the image and brand of the organisation become the factors that the consumer is loyal and attached to (Gronroos, 1994). Therefore market communication (through the marketing mix) is a convenient channel to reach consumers and create dialogue and interaction between the buyers and the sellers. This facilitates relationship marketing (Gronroos, 1994; Vargo and Lusch, 2004 and Hoffman *et al.*, 2005).

Vargo and Lusch (2004) write that due to the emphasis on relationship marketing, promotions will need to become the communication process characterised by dialogue of asking and answering questions. The benefit of relationship marketing according to Gronroos (1994) is that organisations can build powerful information systems which can increase the organisation's awareness of customer satisfaction or dissatisfaction. Thus relationship marketing is a process which involves human interaction, mutual exchange and fulfilment of promises and marketing's role is to capitalise on relationship

marketing through effective marketing strategy (Gronroos, 1994; Vargo and Lusch, 2004 and Hoffman *et al.*, 2005).

2.2.2 MARKETING STRATEGY

Marketing strategy is people driven; it is a strategy created by people for people (Ferrell and Hartline, 2008). Marketing strategy is the process whereby an organisation aligns itself to the market it has decided to serve (Fifield, 2007). Lamb, Hair and Daniel (2009) write that marketing has two strategies; push and pull strategies. A push strategy is when marketers engage in aggressive marketing selling strategies to convince consumers to purchase an organisation's products or services. A pull strategy is when marketers concentrate their efforts to generate positive consumer opinions. This in turn generates demand for the product (Lamb *et al.*, 2009). Therefore, marketing strategy is considered one of the most important means of creating and communicating a brand and maintaining brand equity (Chattopadhyay, Shivani and Krishna, 2010). Wood (2000) writes that brand equity is the relationship between the brand and the consumer's values and marketing strategy has the most influence in establishing brand equity.

Figure 2.3: Elements of brand equity
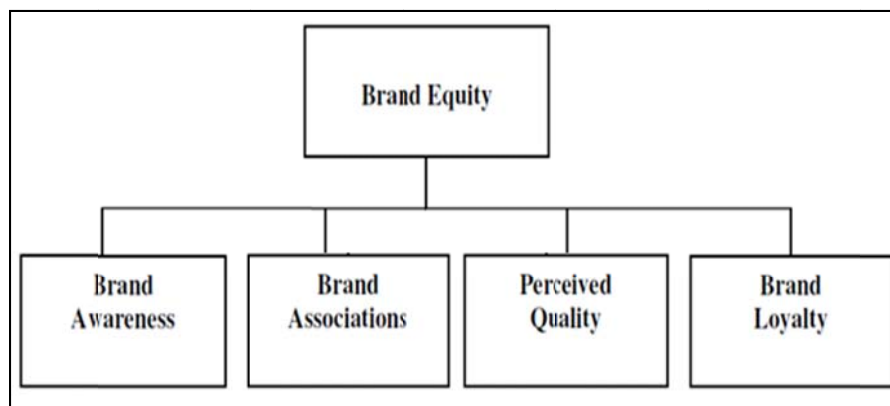
Source: Aaker and Joachimsthaler (2000)

Brand equity as depicted in figure 2.3 above, is the combination of brand awareness, brand associations, perceived quality of the brand, and brand loyalty (Aaker and Joachimsthaler, 2000; Hoffman *et al.*, 2005 and Chattopadhyay *et al.*, 2010).   In summary, brand equity is the market place value of a brand based on reputation and goodwill (Hoffman *et al.*, 2005).

Based on figure 2.3, brand awareness, brand association, perceived quality of the brand and brand loyalty are defined as follows:

- **Brand awareness**

Brand awareness is often the focus of brand strategy and refers to the strength of the brand's presence in the market place (Aaker, 1996; Aaker and Joachimsthaler, 2000).   Brand association is anything linked to the brand in the consumer's mind and brand awareness is the accessibility of the brand in the consumer's memory (Chattopadhyay *et al.*, 2010).   Brand awareness provides consumers with a sense of familiarity and establishes the brand's presence, commitment and substance in the market place (Subhani and Osman, 2009).   As a primary dimension of brand equity, brand awareness remains fundamental to the consumer's purchase decision as it is the initial interaction point between the brand and the consumer.   Forming positive brand images maximises brand loyalty and this builds the foundation for brand equity (Subhani and Osman, 2009).

Figure 2.1 further indicates that brand awareness is positively correlated to brand equity and brand association (Chattopadhyay *et al.*, 2010) as brand awareness affects consumer's perceptions and tastes (Aaker and Joachimsthaler, 2000). Without brand awareness, no other marketing communication can be affected as brand awareness is the first step that brands take to establish its presence in the market place (MacDonald and Sharp, 2003).   Brand awareness is thus an asset that is durable and sustainable over time (Aaker, 1996).   If marketed and managed properly, the brand will be received positively by consumers and

achieve dominance in the market place. This will lead to consumers associating positively to the brand (Aaker, 1996; Aaker and Joachimsthaler, 2000).

- **Brand associations**

Brand image is the perception of the brand and the brand's associations in the consumer's mind (Miladian and Babu, 2009). The brand image and the brand perception (through brand association) in the eye of the consumer are thus affected by the brand's personality (Wood, 2000). Brands have personalities. Therefore it is critical that marketers market the brand's personality as a means for consumers to interact with the brand and positively express themselves in association to the brand (Gill and Dawra, 2010).

Marketers can personalise brand awareness and brand image communication strategies to appeal to consumers by creatively linking different kinds of information to the brand such as product awareness, product attributes and benefits, socially appealing campaigns, positive images, thoughts, feelings, attitudes and experiences (Ye and Raaij, 2004).   If consumers have favourable attitudes toward the brand and perceive the brand to be extraordinary then marketers must use these factors to drive brand loyalty which results in repeat purchases and customer retention (Rubinson and Pfeiffer, 2005).

- **Perceived quality of the brand**

Perceived quality of the brand is the consumer's perspective of the brand as to whether or not a brand will meet their expectations (Gill and Dawra, 2010). Consumers view and evaluate the brand in terms of fit, form and functionality and decide if the brand is best suited for their needs, personalities and lifestyles (Subhani and Osman, 2009). Marketers need to understand how their customers perceive and define quality as well as ensuring that the products are able to generate short term and long term customer satisfaction (Rein *et al.*, 2005). If the quality of the brand is perceived to be positive, the consumer will be inclined to make repeat purchases and build a long lasting relationship with the brand

(Aaker and Joachimsthaler, 2000). Quality results in customer satisfaction which ultimately results in customer retention and long term loyalty to the product or brand. It is thus the responsibility of the marketer to determine the service expectation of the target market and design a service delivery strategy that either meets or exceeds the target markets expectations (Rein *et al.,* 2005).

- **Brand loyalty**

Brand awareness comprises of brand recognition and recall performance; the ability for consumers to easily remember previous experiences with the brand (Subhani and Osman, 2009). Brand associations and perceived quality of the brand contributes to brand trust which in turn promotes brand loyalty (Aaker and Joachimsthaler, 2000). Aaker (1991) explains that brand loyalty is the measured capacity of the consumer's emotional involvement with the brand. If consumers think of a brand when they think of a product, then their levels of brand awareness for that particular brand has increased. The brand thus moves from a general level of awareness to top of mind (Subhani and Osman, 2009). This means that their consideration for the brand may be more favourable and may ultimately lead to a repeat purchases. If consumers are loyal to a brand, they will purchase the brand on a regular basis (Subhani and Osman, 2009; Aaker and Joachimsthaler, 2000).

Based on the above discussion of the elements of brand equity, it is concluded that brand awareness, brand associations, perceived quality of the brand and brand loyalty are important elements of marketing strategy. These elements must be built into the consumer's purchase decision journey from the initiation point of awareness about the brand in the market place until its trial, adoption and re-purchase to the loyalty aspect (Subhani and Osman, 2009; Aaker, 1991; Aaker, 1996 and Aaker and Joachimsthaler, 2000). In order to maximise brand equity, marketers will need to understand which factors influence consumer's purchase decisions and how to influence these factors in terms of brand awareness, brand associations, perceived quality of the brand and brand loyalty

(Subhani and Osman, 2009; Aaker, 1991; Aaker, 1996 and Aaker and Joachimsthaler, 2000).

2.2.3 THE ROLE OF MARKETING

Marketing opportunities to promote brand awareness, brand associations, perceived quality of the brand and brand loyalty stem from the changing needs of society (Aaker, 1996; Kotler and Armstrong, 2004). Marketers need to define their target markets, understand consumer's needs and wants and aim to produce what consumers want to buy (Burger, 2009). Understanding consumers needs and wants results in effective relationship marketing and this requires research into the social marketing environment (Kotler and Armstrong, 2004). Key considerations are the elements of the consumer's buying behaviour and their purchasing intentions. This requires analysis of the consumer's purchase decision journey (Kotler and Armstrong, 2004; Court *et al.*, 2009). Consumers are changing the way they research and buy products therefore marketers are required to pay special attention and focus on the consumer's purchase decision journey (Sheenan, 2010). The role of marketers is to reach consumers at moments (or touch points) when consumers are most open to influence (Court *et al.,* 2009) and maximise the brand awareness, brand associations, perceived quality of the brand and brand loyalty to influence their decisions (Aaker, 1996; Aaker and Joachimsthaler, 2000).

2.3 THE CONSUMER'S PURCHASE DECISION JOURNEY

Brands are the primary points of differentiation between product offerings therefore it is important that brands be managed strategically (Wood, 2000). Marketers have been aware of the change in the way consumer's research brands and purchase products. Therefore marketers need to adjust their marketing strategies by providing consumers with sufficient information and support during the consumer's purchase decision journey to help them make the right purchase decisions (Court *et al.*, 2009). Traditionally consumer behaviour in response to a marketing message could be described through the metaphor of

a funnel as per figure 2.3 (Court *et al.,* 2009; Evans, 2010). The consumer funnel describes the emotional path the consumer takes from initial awareness to final purchase (Powell, Groves and Dimos, 2011). As per figure 2.3 below, Court *et al.* (2009) and Powell *et al.* (2011) explain that the consumers purchase decision journey starts with initial awareness of a product, to familiarising themselves with the product (information search), to considering purchasing a product (evaluation of product), to actually purchasing the product (decision) and finally developing and maintaining loyalty to the product. It is the cognitive processes that consumers go through when making purchase decisions (Sheehan, 2010).

The modern consumer no longer relies on the information which is provided to them via traditional marketing (Court *et al.,* 2010). The modern consumer engages in market research and is able to gather information to help educate themselves about the brands (Sheenan, 2010). This presents marketers with the opportunity to influence the consumer's purchase decision journey by means of aggressive market communications via touch points (Court *et al.,* 2009). Touch points are media platforms which allow consumers to connect to brands (Vollmer and Precourt, 2008). Touch points such as advertisements, press releases, conversations and experiences with the product have a role to play in contributing to a consumer's total experience during their purchase decision journey (Abbing, 2010).

Joseph (2010) defines a touch point as any opportunity to reach a consumer; it is anything that puts the brand within arm's reach of a consumer. The purpose of a touch point is to communicate the brand (Court *et al.,* 2009) and fulfil the brands promise through the creation of meaningful and valuable interactions (Abbing, 2010). All touch points should be integrated and proactively coordinated to influence appropriate customer perceptions (Lockwood, 2009). Thus touch points are convenient marketing tools that marketers can utilise to reach out to

consumers during the consumer's purchase decision journey (Court *et al.*, 2009; Abbing, 2010 and Sheenan, 2010).

With the wealth of information available to them, consumers now focus on the perceived risk of the purchase, price, the experience of previously purchasing the product, the necessary involvement experienced during and after a purchase, and most importantly the information content which was available to them during their decision making process (Peppard and Butler, 1998). Therefore communicating the brand to consumers is crucial in all stages of the consumer purchase decision journey (Fauser *et al.*, 2011). Based on figure 2.2 below, the stages of the consumer's purchase decision journey may be described as follows:

Figure 2.4: The purchasing funnel

| Awareness | Familiarity | Consideration | Purchase | Loyalty |
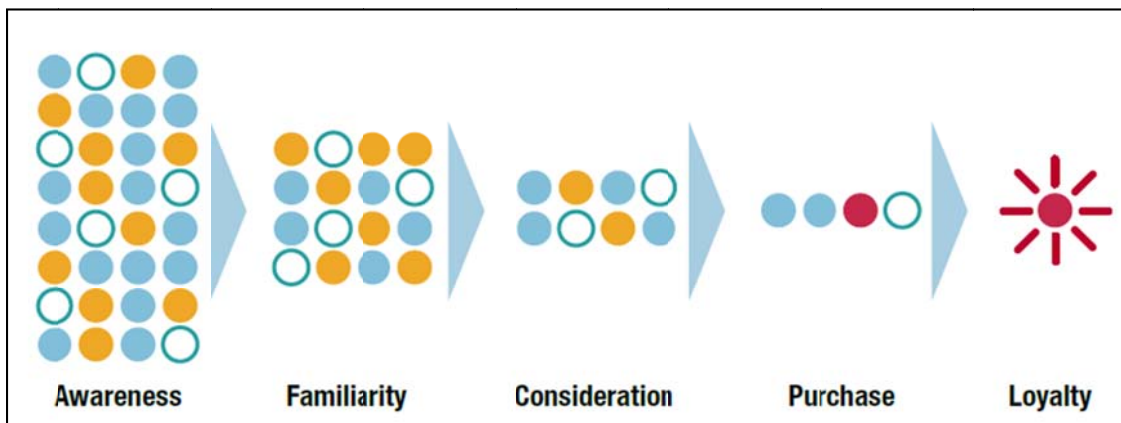
Source: Court *et al.* (2009)

- **Stage1 - Awareness**: The first stage of the consumer purchase decision is "awareness" or problem recognition. This stage triggers all subsequent activities (Peppard and Butler, 1998). At this stage the consumers realises that there is a gap between their current state and their desired state (Reid and Bojanic, 2009). Marketing's role is to raise brand awareness amongst consumers and inform them that a specific brand or

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product is available to satisfy their needs and wants (Windham and Orton, 2000). Marketers may accomplish this task by using the elements of the marketing mix such as product, promotion and price to develop aggressive communication strategies to attract and inform consumers about the brand and build long term and long lasting relationships (Fauser *et al.*, 2011).

- **Stage 2 - Familiarity**: Familiarity is tied to information search; the stage where consumers take action to gain knowledge about products and services (Peppard and Butler, 1998). The information search may be internal or external. An internal search refers to when consumers recall a previous experience with the brand (Pride and Ferrell, 2010). An external search refers to when consumers collect information from various external sources (e.g. television or print media) and learns about the brand to make an informed purchasing decision (Windham and Orton, 2000). Marketing's role is to ensure that the consumer positively associates with the brand. Marketers must ensure that there is sufficient information (product and price elements of the marketing mix) available by means of advertising, recommendations, media, print and online platforms (Fauser *et al.*, 2011). Consumers need information and marketing's role is to provide consumers with easily accessible, clear and credible information via push strategies. This in turn will develop consumer brand loyalty and by extension brand identity, reliability and trust in the brand (Peppard and Butler, 1998; Fauser *et al.*, 2011).

- **Stage 3 - Consideration**: A successful information search results in consumers developing a short list of brands which they view as possible alternatives to purchase. This group of brands is referred to as the "consideration set" (Pride and Ferrell, 2010). Consumers consider the relative importance of each of the brand's attributes by making trade-offs at each of the attribute levels (Reid *et al.*, 2009). Traditional sources of information for the evaluation include past experiences, consumer groups

and WOM (Peppard and Butler, 1998). In this stage positive WOM is most critical and marketers should seek to develop positive references from other consumers. These references should in turn create a positive influence on new consumers (Windham and Orton, 2000). Marketing's role is to reach out to the consumers emotions and persuade them to purchase the product (Fauser *et al.*, 2011). This may be done by "framing" the alternatives; describing the attributes in a certain manner which is appealing to the consumer (Pride and Ferrell, 2010). Marketers need to understand the consumers purchase criteria used (the factors that persuade consumers to evaluate a product) to compare and evaluate products (Fauser *et al.*, 2011), and use brand awareness, positive brand associations and quality attributes of the brand to appeal to the consumer's hearts, minds and pockets (Burger, 2009).

- **Stage 4 - Purchase**: In the purchase stage, the consumers make the decision of which brands to purchase (Pride and Ferrell, 2010). All internal and external variables come together to produce a decision (Reid *et al.*, 2009). Marketing's contact with the brand is limited to point of sale however marketers can ensure that consumers are aware of the distribution channels ("place" element of marketing mix) and locations where the brand is available (Peppard and Butler, 1998).

- **Stage 5 – Loyalty and post purchase behaviour**: This stage addresses how consumers should take delivery of the product and how marketers should respond to consumer suggestions, comments, queries and questions from consumers based on their purchase experience (Peppard and Butler, 1998). Consumers begin to evaluate the entire process from the awareness stage to their current stage (Windham and Orton, 2000). They further evaluate the product or brand to determine if it has met their expectations. Based on their experience, consumers will engage in WOM

and share their thoughts and opinions on the entire purchasing experience (Pride and Ferrell, 2010).

After sales service is critical in promoting a positive brand image post purchase. Marketers need to ensure that consumers obtain professional levels of service post purchase to negate any negative feelings about the purchase (Reid *et al.*, 2009). Marketing strategy must have continuous focus on aggressively promoting the brand to ensure that it becomes top of mind in terms of brand awareness and brand association (Reid *et al.*, 2009). The focus is on after sales service and support and on-going communications through relationship marketing. This sets the foundation for building a long term relationship between the brand and the consumer. (Fauser *et al.*, 2011).

Relationship building has taken on significance in online environments (Court *et al.*, 2009). With the boom of the internet and e-marketing, many modern consumers seek peer advice over social networks and this presents marketing with an opportunity to share product and service information at all stages of the consumers purchase decision by engaging in online marketing (Vargo and Lusch, 2004; Court *et al.*, 2009 and Fauser *et al.*, 2011). The modern consumer's purchase decision journey and the rapid use of the internet indicates that marketers will have to move away from the traditional "push" and "pull" strategies and focus on a combination of both strategies which can aggressively influence consumer's touch points (Court *et al.*, 2009).

The social web therefore represents an increasingly important point of interaction between marketers and consumers (Fauser *et al.*, 2011). The consumer focus thus moves away from the traditional 4P's marketing mix towards e-marketing; information sharing, brand research, knowledge management, interactivity and connectivity (Vargo and Lusch, 2004).

2.4 SUMMARY

The ultimate goal of marketing is to bring about mutually satisfying exchanges between parties (Cant *et al.*, 2006). The new role of marketers is to understand that marketing is consumer driven and consumers are effective elements in marketing strategy (Loudon *et al.*, 2005) therefore the 7P's of the marketing mix need to be considered when planning marketing strategy (William and Curtis, 2006). Consumers are changing the way they research and buy products therefore marketers are required to pay special attention to the consumer's purchase decision journey (Court *et al.*, 2009). Marketers will need to engage in ongoing market research, understand the market segments and determine and deliver products which satisfy the needs and wants of the target markets (Loudon *et al.*, 2005). Once they have a clear understanding of the market requirements, marketers will be able to influence the consumers purchase decision journey by developing and implementing marketing strategies which are customer focused and based on relationship building, knowledge management and information sharing (Ferrell and Hartline, 2008).

Technology and the boom of the internet have encouraged people to connect with each other, share information and build relationships (Stelzner, 2009; 2010). The social web has presented a new form of communication through social media which allow people to interact and converse with each other (Evans, 2010). This presents marketers with the opportunity to affect consumer's purchase decisions through online marketing and social media (Fauser *et al.*, 2011). The literature review which follows in chapter three discusses the changing role of marketers and consumers in online environments, social media and the role of social media marketing in the consumer's purchase decision journey.

CHAPTER 3

LITERATURE REVIEW - SOCIAL MEDIA MARKETING

3.1 INTRODUCTION

Technology and the internet connect people in different ways that allow them to share knowledge and information with each other (Evans and McKee, 2010). The most popular form of connectivity is through social media (Stelzner, 2010). Social media is a new form of communication which is changing the behaviour and expectations of people and the way organisations conduct business (Wollan, Smith and Zhou, 2011). Social media platforms provide a user-friendly tool for users to invite and converse with other. This type of interaction has given voice to millions of consumers who now have the capacity to talk to each other and are able to share their experiences and opinions with a global audience at little or no cost (Trusov, Buckling, and Pauwles, 2009).

The social web revolves around conversations and interactions within groups which act and react based on collective knowledge (Evans and Mckee, 2010). Consumers have discovered the social web as a data source to learn about products and services and share their own personal experiences with the brand. This new source of information in conjunction with traditional media allows other potential consumers to consider these experiences before they themselves make an actual purchase (Trusov *et al.*, 2009; Evans and McKee, 2010).

This social engagement by consumers has significant impact on marketing activities as marketers need to be aware of the factors which affect the consumer's purchase decision (Court *et* al., 2009). Marketers need to engage in online marketing strategies and influence consumer's purchase decisions through social media marketing (Evan, 2010). The literature review that follows discusses e-marketing (electronic marketing), social media and the role of social media marketing in the consumer's purchase decision journey.

3.2 ELECTRONIC MARKETING (E-MARKETING)

According to Gommans, Krishnan, and Scheffold (2001) sharper marketing focus is required to build and maintain customer loyalty in electronic market places. Brand image and brand identity must be built through mass media online communications (Gommans *et al.*, 2001) therefore marketers need to ensure that there is effective dialogue from the brand to the consumers (Wood, 2000). This means that brand equity plays an important role in how information is learned, retrieved and communicated between consumers in online environments when making final purchase decisions (Chattopadhyay *et al.*, 2010).

Consumer markets are dynamic and as brand accessibility and brand associations may change over time, so too could consumer's purchasing behaviour change over time (Wood, 2000). Therefore consumer focus is critical when developing marketing strategies in the technology driven world where technology has delivered the promise of anything, anywhere, anytime (McKenna, 1991). Due to the accessibility of the internet, buyers and sellers are able to easily utilise communication channels by communicating, organising and exchanging information (Kiang *et al.,* 2000). Thus the goal of marketing is to establish the brand and own the global and virtual market place, thereby giving the brand competitive advantage (Court *et al.*, 2006; Evans, 2010). The internet boom (and by implication e-marketing) has allowed firms to take advantage of promotional and advertising channels. The partnership of technology, the internet and marketing should assist marketers in exploring new and innovative ideas, test consumer's real-time reactions and establish the brand in online market places (Kiang *et al.,* 2000).

Kalyanam and McIntyre (2002) define e-marketing as electronic marketing; the application of marketing principals through electronic resources such as the internet. E-marketing is defined by Brodie, Winklhofer, Coviekki and Johnston (2007) as using the internet and interactive technology applications to facilitate dialogue between buyers and sellers. Technology enables realistic

representations of products and the ability to interact and associate with them (Hemp, 2006). Therefore e-marketing is a continuous form of marketing which occurs in real time in online environments. Brodie *et al.,* (2007) goes on to explain that in order to fully exploit the impact of e-marketing, e-marketing needs to be supported by the traditional 4P's of the marketing mix; product, promotion, place and price whilst taking into account social and relationship marketing. Constantinides (2002) argues that the roles of the traditional marketing mix are very different in the physical marketing environment than that of the online marketing environment.

E-marketing focuses on human behaviour (Constantinides, 2002) and the fact that the consumers are part of a network and that these consumers are constantly participating in network groups as they interact with each other over real-time (Kalyanam and McIntyre, 2002). Thus the online shopping experience has evolved into a social experience (Hemp, 2006). This supports the argument presented by The Chartered Institute of Marketing (2009) in chapter two (2.2.1.) that the traditional 4P's should now include people, processes and physical evidence (e.g. testimonies and referrals). E-marketing allows consumers to access product information any time via the internet, facilitate real-time conversation and feedback which ultimately facilitates customer relationship management (Kalyanam and McIntyre, 2002). Therefore the emphasis of a marketing plan needs to be on a highly interactive environment which pulls or attracts consumers, builds relationships with them, retains consumers and allows for ongoing personalised customer service (Constantinides, 2002).

Due to the boom of the digital age, marketers have a responsibility to provide consumers with security and privacy whilst ensuring that they provide personalisation and professional customer service (Kalyanam and McIntyre, 2002). Thus e-marketing enables the exchange of information in digital environments where buyers and sellers are able to interact anywhere and at any time (Kalyanam and McIntyre, 2000; Brodie *et al.*, 2007).

The virtual market place is the communication playground of mass markets therefore market segmentation (as in the case of traditional marketing strategy) is critical to successful online marketing strategies which satisfy the consumer's personal needs rather than the collective needs of all consumers (Constantinides, 2002). Through their research, Kiang *et al.* (2000) identified competitive advantages of internet marketing to be distribution, transactions and communications channels. Due to mass online markets, Constantinides (2002) identified that the challenge for marketers is to accurately segment their customers by preferences and demographics, taking into account market size, customer profiles, competitive situations and future trends. This will allow them to respond quickly to market changes thereby giving the organisation direct contact with the consumer (Kiang *et al.*, 2000).

Hoffman (2000) writes that the revolution of the internet has altered the traditional forms of advertising and communication media. Two-way communication is growing rapidly in online environments (Mayfield, 2008). The total web based experience is the attraction for online consumers due to the vast amount of information available at any given time (Kalyanam and McIntyre, 2002). The massive global network fuelled by the growth of the internet, has radically transformed the way organisations conduct business and the way humans behave in an online society (Hoffman, 2000; Stelzner, 2010). Given the vast amount of information on the web, it is no surprise that consumers view search engines as important online tools. The internet is a complex market place and offers the potential for growth, development and a virtual revolution in the way society approaches business and communicates with each other (Hoffman, 2000).

Social media as explained by Evans (2010) is changing the way information is communicated to and from people around the world. The rapid use of social media such as blogs and other social networking sites and media-sharing technology is changing the way firms respond to consumer's needs and wants

and changing the way they respond to their competitors (Mayfield, 2011). Marketers now have the opportunity to engage in broader and more innovative forms of online mass media communications by using the social media marketing tools (Evans and Mckee, 2010).

3.3 THE INTERNET AND WORD OF MOUTH

Virtual worlds are the medium for formal and informal collaboration between consumers and organisations and the virtual business environment is a critical determinant of competitiveness (Cohen, 2008). Today's consumer is a proactive buyer and online consumers can provide marketers with valuable cultural and marketing information (Brown *et al.*, 2007). In order to understand consumer behaviour in the virtual world, it is important to understand how consumers make purchase decisions (Peppard and Butler, 1998).

Critical to understanding consumer decisions is that fact the internet has evolved into an information economy impacting on social, economic, business and political life where consumers are engaged in ongoing interaction (Peppard and Butler, 1998). Consumers are influenced in their online product choices by online recommendations (Senecal and Nantel, 2004) by millions of other user's experiences and motivations (Brown *et al.*, 2007). Messages are continuously filtered, uploaded in electronic market places and spread amongst users who in turn filter and forward these messages to peers and other personal user groups thereby creating connectivity (Woerndl, Papagiannidis, Bourlakis and Li, 2008).

Connectivity refers to a consumer's access and ability to participate in online communications life through eWOM; electronic word of mouth (Woerndl *et al.*, 2008) which is more effective than previous conventional sources of recommendations (Senecal and Nantel, 2004). eWOM is an online consumer dominated channel of marketing and has significant influence on the consumer's information search, evaluation of alternatives and final decision to purchase a product (Brown *et al.*, 2007). The popularity of the internet has revolutionised

eWOM into a network with the birth of social media (Xiaofen and Yiling, 2009). The growth of social media (and by association eWOM) has enabled consumers to interact with each other in the virtual world and to share their perceptions and opinions of brand value (Gruen *et al.*, 2005).

eWOM allows consumers to interact with each other and share their opinions, experiences and research on consumer products and services in online environments (Hennig-Thurau, Gwinner, Walsh and Gremler, 2004). Thus social media is rapidly changing WOM marketing, broadening communication channels and facilitating effective dialogue between marketers and consumers. This builds and encourages consumer-brand engagement in an online consumer community (Brown *et al.*, 2007). eWOM (through social media) refers to informal connectivity and interactivity amongst individuals regarding products and/or services in online environments and is a faster means of communication (Woerndl *et al.*, 2008). Formal and informal collaboration is particular evident on social media platforms. Thus the internet provides marketers with the opportunity to provide consumers with richer and more tailored information over the internet (Peppard and Butler, 1998) and it further helps marketers to improve on personalisation strategies (Brown *et al.*, 2007).

eWOM is increasingly manifesting itself through social media as a form of social participation in online environments and has great impact on product judgement, criticism and praise (Evans, 2010). This means that consumers now have the ability to affect other consumer's final purchase decisions (Brown *et al.*, 2007). The most popular form of marketing via the internet is social media marketing (Stelzner 2010). Due to the growth of social media and consumer's desire for social interaction and concern for other consumers marketers need to focus on the element of online interactivity as most business activities now centres on human and technical interaction (Hennig-Thurau *et al.*, 2004).

3.4 SOCIAL MEDIA

Social media are dynamic tools that facilitate online relationships (Golden, 2011). Social media involves natural and general conversation between people about a topic of mutual interest. It is about sharing information and sometimes involves decision making (Evans, 2010). Social media involves several social online channels (or networking sites) and are subject to change over time; it is participative and the audience (consumers) are part of the creative process which generates real time content or real time conversations (Evans, 2010). Mayfield (2008) explains that social media is online or electronic media which facilitates participation, openness, conversation, community and connectedness amongst online users. The core of social media as explained by Trusov *et al.* (2009) lies in fact that users can have individual profiles and personal images, users are able to communicate their thoughts, feelings, interests (music, hobbies, preferences) and link to affiliated profiles (friends or professional fan pages). Social media thus facilitates the exchange of information via email, chat rooms, blogs, discussion forums, digital audio, images and movies (Mangold and Faulds, 2009).

Social media should be viewed as marketing tools and resources (Golden, 2011) as it presents marketers with the opportunity to access valuable information which affects relationship building and maintaining the feedback loop to consumers (Evans, 2010). Social media marketing is a relatively low cost form of marketing and allows firms to engage in direct and end-user contact (Kaplan and Haenlein, 2010). Social media marketing is about passion, emotion and genuine expression towards a brand. It builds the relationship between the consumer and the brand and facilitates dialogue, slow revelations and finally respect for the brand (Brandz, 2010). Trusov *et al.* (2009) found that eWOM had strong impact on new customer acquisition. Thus consumers have now evolved from traditional buyers to opinion leaders who are able to influence other consumers through their expectations, opinions, knowledge and associations (Xiaofen and Yiling, 2009).

Social media marketing thus represents communication opportunities and requires new and unconventional thinking (Kweskin, 2007) to ensure that consumers experience brand orientation and product orientation (Xiaofen and Yiling, 2009). Therefore marketers should use social media as marketing tools to nurture brands in online environments and activate purchase intent (Cuming, 2008). Social networking focuses on the human aspect and provides a forum for users to express themselves creatively (Mayfield, 2008). Therefore social networks provide marketers with a means of understanding how people connect and interact with each other, and in particular the value of building relationships (The New Horizon Report, 2008). Thus social media has promoted consumer-to-consumer communication and has made it possible for consumers and brands to interact with each other thereby enabling connectivity (Mangold and Faulds, 2009). The significance of this growth in mass communication is that social media has allowed for increased situational awareness in terms of a changing environment thus social media marketing is playing an increasingly important role in marketing (Mayfield, 2011).

The Internet and social media have created a new online society for consumers (Cuming, 2008). The age of the technology is making the market place more accessible to consumers therefore marketing is no longer a function of the business, it is a way of doing business and reaching the end customer (McKenna, 1991). Social media marketing thus presents the opportunity for marketers to communicate the brand to consumers in untraditional and creative ways in real time and companies who integrate elements of social media into their marketing mix will have a greater opportunity to influence consumer's buying choices (Cuming, 2008; Mayfield, 2008; Mangold and Faulds, 2009; Kaplan and Haenlein, 2010 and Brandz, 2010).

Mayfield (2011) explains that the easily accessible virtual market place allows marketers to influence consumers. Consumers in turn influence fellow consumers. Within hours and minutes people are able to access information on

social networking sites and communicate to connections all around the world on breaking news, natural disasters and other topics of interest (Mayfield, 2011). Therefore knowledge management and information sharing through social media marketing has become crucial in how organisations conduct business activities (The New Horizon Report, 2008). Internet communities, blogs and social networks have become a part of consumer's lifestyle (Cuming, 2008). These characteristics facilitate connectivity, feedback and interaction between consumers. These characteristics further encourage sharing and commenting on information and allow consumers to make use of links, resources and other people (Mayfield, 2008). Social media has therefore made consumers active members of the brand communities by giving them the opportunity and freedom to be heard in virtual worlds where perception and first impressions are critical influences (Mangold and Faulds, 2009).

Stelzner (2011) writes that social media represents marketing opportunities which can connect firms directly with their customers. In the Social Media Marketing Report 2011, Stelzner (2011) found that 90% of marketers indicated that social media was important to their business, 33% of marketers are forming metrics to measure social media as part of their return on investment (ROI), 58% use social media for up to six hours per week, 34% use social media for up to eleven hours per week, 70% of marketers want to learn more about Facebook. Stelzner (2011) further noted five popular social networking platforms; Facebook, Linkedin, Blogs, Twitter and YouTube.

These social media platforms are defined by Mayfield (2008) as follows:

- **Facebook**: This is a social network site which allows people to build personal web pages and connect to and communicate with friends;
- **Linkedin:** Linkedin in most popularly known as the "grown up" social network. This social media platform allows users to build professional relationships in online environments;

- **Blogs:** These are online journals which allow participants to share their thoughts via journal entries. Blogs often allow other users to comment on journal entries;
- **Twitter:** This is a form of micro blogging where small amounts of content or updates are uploaded online through mobile networks; and
- **YouTube:** This is a site that allows users to upload and share videos with fellow community members.

The popularity of social media marketing is due to the fact that social media is low cost and bias free and allows marketers to gain insight into markets. The vast amount of available information allows marketers to mine social networking data and engage in consumer profiling which ultimately results in better and more effective market communication strategies (Kotler *et al.*, 2010). Consumers have become well aware of the power of social media and are therefore able to positively or negatively reinforce a brand (Mangold and Faulds, 2009). Loyal customers will act as a sales force, spreading a positive message about the brand through viral marketing and in particular online marketing such as social networking sites and blogs (Fauser *et al.*, 2011). Social media thus presents marketers with the opportunity to execute more emotional touch points in areas where consumers are able to connect with each other and share their experiences. These touch points are hugely emotional and offer marketers the opportunity to connect and engage with consumers correctly and generate exposure for the organisation's brands (Joseph, 2010).

Stelzner (2011) reported that 88% of respondents agreed that social media generated exposure for their businesses, 72% noted that social media increased the flow of traffic onto their social networking sites and 43% correlated social media with increased sales. It is worthy to note that 62% of respondents reported that social media improved search rankings of their products (Stelzner, 2011). Social networking thus allows consumers to share ideas, collaborate, debate and discourse in online environments. It is thus be concluded that

consumers have influence and can facilitate the acceptance of a brand in virtual market places through social media (Mangold and Faulds, 2009).

3.4.1 SOCIAL MEDIA MARKETING

Trusov *et al.* (2009) explain that social networking platforms allow users to connect with each other and typically attract a small group of first time consumers. The greatest appeal of social media marketing is for the brand to make a strong impact on consumers and consumer groups (Brandz, 2010).

Golden (2011) lists the characteristics of social media marketing as follows:

- **Tone**: Social media is about honesty and being authentic. Marketers need to ensure that the message to the audience is credible and reliable;

- **Conversation**: Social media marketing generates two ways conversation where the customer is an integral part of the marketing department. Customer opinions matter and impact on marketing strategy;

- **Validation:** Buyer and consumer reviews are as influential as the marketer's claims of the brands features and benefits. This sets the stage for the brand to meet consumers expectations;

- **Reach:** Social media marketing allows marketers to reach a wider audience with more dramatic results in far less time and at lower costs; and

- **Control:** Control is the single biggest challenge in social media marketing. The internet allows the entire world to report what they see as they see it (in real time). All testimonies, opinions, customer experiences (positive and negative) and customer messages are able to go live at any time. These messages are not always accurate nor are they in the control of the marketer and the challenge to the marketer is to respond to these messages in a professional manner.

Taking the above factors into account it is concluded that social media marketing enables marketers to significantly accelerate their ability to launch brands in virtual market places, strengthen customer relationships and communicate to a

broad range of potential consumers in new ways (Wollan *et al.*, 2011). Consumers want to feel good about what they purchase and communicate their feelings regarding the purchase. Beyond quality and reliability, consumers expect to have a feel-good and interactive association with the brand (Brandz, 2010). These consumers in turn share their experience by inviting or "referring" their "friends" which results in eWOM. The opportunity for marketers is to effectively take advantage of eWOM marketing (Trusov *et al.*, 2009). eWOM has created a huge hype amongst marketers and social media marketing promotes marketing opportunities via eWOM (Trusov *et al.,* 2009). Multimedia campaigns must include social media tools such as Facebook, Twitter, YouTube and Blogs to ensure maximum consumer reach (Brandz, 2010).

Mangold and Faulds (2009) and Constantinides (2002) write that the following factors must be considered in order to take advantage of social media marketing strategy and influence the consumers purchase decisions:

- Provide information: Content, interactivity, service offered online;
- Provide exclusivity: Security;
- Be outrageous: Web presentation, social networking welcome;
- Support the consumers: Interactive process between sales representatives and consumers;
- Design: Design products with talking points and consumer's desired self images in mind;
- Links and interlinks: From one way traffic to multiple avenues;
- Multimedia considerations: Ease of navigation, easy access to information about products and services, information layers and calculation tools, easy offering procedures and special incentive tools;
- Utilise the power of stories: testimonies, corporate social responsibility;
- Customer focused promotional messages;
- Interactive campaigns, testimonies and stories; and
- Facilitate recommendations and eWOM.

According to Trusov *et al.* (2009) eWOM and social media marketing assists marketers in attracting consumers to brands at lower costs and in real time (faster service delivery) as the internet allows consumers to share their views, preferences and experiences. One of the benefits of social media marketing is that it allows marketers to correct comments, address queries and quickly and efficiently modify their online marketing strategies (Evans, 2010).

Stelzner (2011) lists additional benefits of social media marketing as follows:

- Generates exposure for business;
- Increase in traffic and subscribers;
- Improved search rankings (e.g. more hits via Google search);
- Results in new business partnerships;
- Improved customer communication and feedback in real time;
- Improved customer relationships;
- Generated qualified leads;
- Reduced overall marketing expenses; and
- Improved sales.

According to Haque, Khatibi and Mahmud (2009) the key factors attracting consumers to research brands online are:

- Internet marketing environments;
- Promotional offers which communicates the brand's presence;
- Product characteristics (specifications and benefits);
- Brand familiarity; and
- Confidence in the brand.

If the above factors (Haque *et al.*, 2009) are positively received by consumers, this will create greater brand awareness through eWOM via social networking platforms, facilitate brand association with consumers, position the brand in terms of quality specifications and ultimately influence the consumer to purchase the brand and make repeat purchases (Brandz, 2010). Based on the above

discussion it is concluded that social media marketing enables consumers to talk to and about the brands, thereby influencing consumer purchasing decisions (Haque *et al.*, 2009; Brandz, 2010 and Stelzner, 2010; 2011).

3.4.2 SOCIAL MEDIA MARKETING AND THE CONSUMER PURCHASE DECISION

This section discusses two previous research studies by Fauser *et al.* (2011) and Cuming (2008).

Fauser *et al.* (2011) conducted a research study regarding the impact of social media on touch points during the consumer's purchase decision journey. Key points resulting from this research were:

- Consumers felt that information sharing, collaboration and relationship building was necessary to support ongoing communication;
- Social media marketing allowed organisations the opportunity to be in the position to offer additional sources of information regarding product benefits, product features and provide real time feedback to consumers ;
- Social networks, particularly Facebook were found to be most suitable information sharing platform at the beginning of the consumer purchase decision as many consumers relied on social recommendations; and
- Many consumers used Facebook reviews and ratings ("likes") as the means to seek recommendations, peer advice and find product information.

In summary social networks were considered the most influential platforms in terms of social media as it served as an "all-purpose" medium to engage with consumers at all stages of the consumer decision journey (Fauser *et al.*, 2011).

Table 3.1: Generic social media marketing framework

	Awareness	Information	Evaluation	Decision	Post-purchase
Wikis		Publish product/service information			
Blogs	Place previews & exclusive reports on external blogs	Introduce your own brand or prod-uct/service blog	Let external bloggers test your product/service	Use your own blog to interact with potential customers	Introduce service-, sup-port- & CRM-blog
Microblogs	Provide special offers				Provide after-sales offers & real-time support
Social networks	Provide viral brand generated content and/or use applications	Create a fanpage and provide brand gener-ated content	Let the community evaluate your prod-uct/service	Use fanpages to interact with potential customers	Win customers as fans of your product/service
Social sharing	Word-of-mouth via audio- & video-sharing	Integrate social book-marking tools	Monitor relevant product/service evalua-tion pages		

Source: Fauser *et al*. (2011)

Figure 3.1 above depicts the generic social media framework which was developed by Fauser *et al.* (2011) and links the theoretical stages of the consumers purchase decision journey to social media marketing strategies as follows:

- **Awareness**: Awareness is the problem recognition stage (Peppard and Butler, 1998). All mediums except for wikis are suitable for creating brand awareness. Whilst blogs are useful for product reviews and Twitter are ideally suited for special offers and exclusive links, Facebook is the most appropriate social network to apply the marketing mix (7P's) and distribute brand generated content (Fauser *et al.,* 2011);

- **Information and evaluation**: At this stage consumers take action to gain knowledge about products and services (Peppard and Butler, 1998). Social networks are able to provide links to company websites for more in-depth product evaluation and it provides opportunity to generate many options in search engines (Fauser *et al.*, 2011). According to Stelzner (2011) one of the many benefits of social media marketing is the ability for organisations to improve their search ranking on the internet;

- **Consideration and decision**: Consumers consider the relative importance of each of the brand's attributes by making trade-offs at each of the attribute levels (Reid *et al.*, 2009). Marketers influence is limited in

the decision phase (Court *et al.*, 2009) however Facebook fan pages are a good way to engage undecided consumers in conversation to clarify queries regarding the product (Fauser *et al.*, 2011). Real time feedback could influence the consumer's final decision to purchase a product (Evans, 2010);

- **Purchase**: Marketing is limited to point of sale. Consumers make the decision of which brands to purchase (Pride and Ferrell, 2010); and

- **Post Purchase (Loyalty)**: Consumers begin to evaluate the entire process from the awareness stage to their current stage (Windham and Orton, 2000). Social networks such as Facebook are important during the post purchase stage as it offers "*consumers a chance to turn into fans and build customer loyalty*" (Fauser *et al.*, 2011).

Customer loyalty to the brand or product promotes positive WOM which in turn attracts new consumers (Windham and Orton, 2000). By interacting with the existing and new consumers, social networks can be used to manage CRM as channel of communication between the consumer and the organisation (Evans, 2010). The study concluded that social media marketing is an essential tool in marketing brands and products due to the rapid development in social media and changes in consumer behaviour. The results indicate that social media marketing may be influential on consumers during the various stages of the consumer's purchase decision journey (Fauser *et al.*, 2011).

Cuming (2008) conducted a research study in America to explore consumer's relationship with social media websites. This study included the consumer's perception of online brand information. The intent of the study was to evaluate:

- Did consumers recognise opportunity or benefit in engaging with a brand online?
- Did social media marketing play a role on the consumer's purchase decision?
- Did social media marketing impact on WOM?

Cuming's (2008) study resulted in:

- 60% of consumers indicating that they would use social media platforms as a medium to recommend or comment on products through testimonies and WOM;

- 70% of consumers visited social media sites to conduct research and collect general information on products or brands;

- 49% of these consumers made a final purchase decision based on the information they gathered from social media sites.

Cuming's (2008) research revealed insight to consumer's attitudes towards online information as indicated in table 3.2 below:

Table 3.2: Summary of consumer's attitudes toward online information

Consumers who viewed information as:	Results (%)
Valuable	71%
Relevant	68%
Influential on final purchase decision	67%
Influential on final perception	62%
Credible	60%
Honest	52%

Source: Cuming (2008)

The results in table 3.2 above indicated that based on their experience of online research, overall consumers were positive about being a part of and participating in an online community. 71% of consumers viewed information as valuable above all other criteria in their purchase decision, and this is linked closely to 67% of consumers who stated that online information about a brand was influential in their final purchase decision (Cuming, 2008).

Based on the two previous research studies which have been discussed (Cuming, 2008; Fauser *et al.*, 2011), it can be concluded that social media

networks can influence touch points within the consumer's purchase decision journey in online environments. Social media marketing has the ability to influence customers, by telling them about the product, selling the product attributes and benefits and finally persuading the consumer to purchase the product. Thus social media marketing allows marketers and consumers to stay connected with each other (Cuming, 2008; Fauser *et al.*, 2011).

Evans (2010) supports the arguments presented by Fauser *et al.* (2011) and Cuming (2008) by stating that post purchase experiences from the overall marketing process are most likely to be shared through social media. Social media connects these experiences back to the social feedback cycle (Evans, 2010). The social feedback cycle is represented in figure 3.1 below. Traditionally during the awareness and consideration stage marketers would engage in aggressive marketing campaigns to attract consumers and influence them to purchase a brand. Marketers would then engage in after sales service to maintain the loyalty of the consumers (Court *et al.*, 2009).

Figure 3.1 Social feedback loops
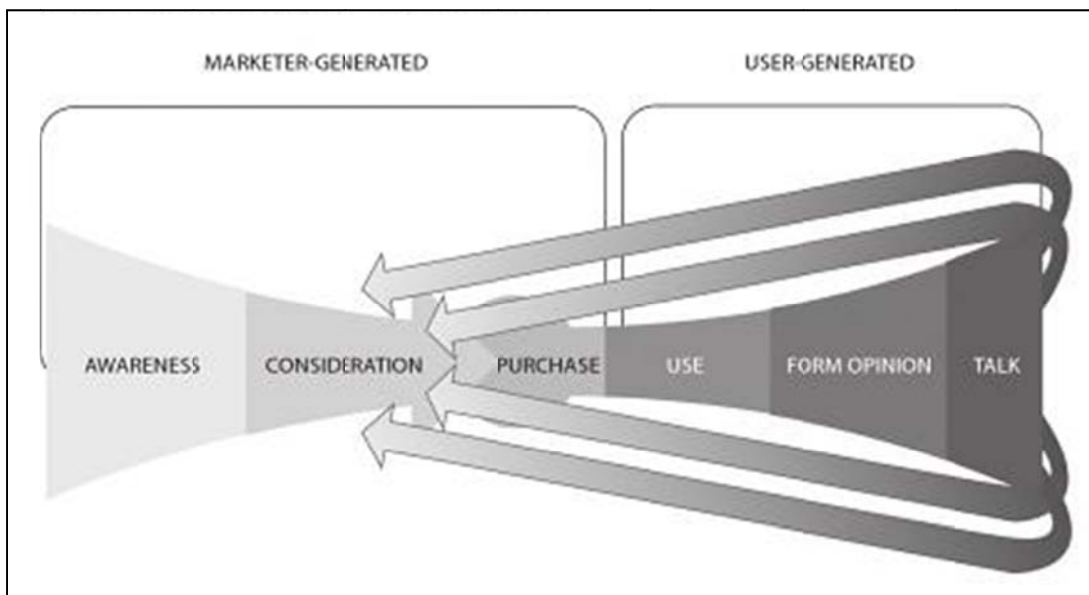
Source: Evans (2010)

The social feedback cycle as represented in figure 3.1 above is consumer driven and is set in motion by post-purchase consumer opinions (Evans, 2010). Consumer opinions in online environments (eWOM) ultimately affect other potential consumers who are in the "consideration" phase in the purchasing funnel (Pride and Ferrell, 2010). Between awareness and point of purchase comes customer driven social media. Therefore the social feedback cycle is driven by eWOM (Evans, 2010). Thus CRM is adapted to make consumers an integral part of the sales process by understanding who among the consumers are influential. This allows marketers the opportunity to form better relationships with consumers through social media and ultimately shapes conversations about the brand (Evans and McKee, 2010).

According to Evans (2010) and Evans and McKee (2010) the social feedback cycle allows marketers to listen to consumers as they share their purchasing experiences on the social web and provides them with useful information in terms of:

- Ideas for product or service innovation;
- Early warning signs for potential problems with the brand;
- Opportunities to market the brand within the purchasing funnel;
- Awareness aids (e.g. testimonials);
- Ideas for new product applications;
- Customer service tips that flow from user to user;
- Competitive threats from other products; and
- Exposed weaknesses of the brand.

Thus social media becomes a hub for market intelligence as marketers begin to understand consumer's purchasing behaviour and gain insight as to why consumers feel the way that they do about certain brands (Rockendorf, 2011). These opportunities allow the marketer to create dialogue with the consumer, fine tune the marketing message and maintain the brand's presence in online market places (Evans and McKee, 2010).

3.4.3 SOCIAL MEDIA MARKETING AND BRAND AWARENESS

The Charted Institute of Marketing (2009) emphasised that communication as part of the promotion mix is essential in conveying the brand's personality. Stelzner (2011) reported that marketers were engaging in social media marketing to improve on communicating the brand in online environments. This includes search engine optimisation (e.g. more hits on Google.com), communicating events and press releases and making traditional marketing tools (e.g. print display adverts, radio adverts and television adverts) available for consumers to download or review content (Rockendorf, 2010). Good promotion is a two way street and paves the way for dialogue with consumers (Stelzner, 2010; 2011). Good promotion encourages dialogue with consumers and communicates the benefits and specifications of the product in an effort to persuade consumers to purchase the brand. Good promotions must be outrageous, yet socially acceptable and professional and must communicate value (The Charted Institute of Marketing, 2009).

Stelzner (2011) questioned how social media marketers would change their marketing strategies going forward and the results indicated that 64% of marketers planned on increasing their use of search engine optimisation. The channels for driving this social marketing strategy were online event marketing, online advertising, press releases and seminars through social media platforms (Stelzner, 2011). Social media marketing has therefore become part of marketing strategy in global organisations in an effort to reach out to wider and larger audiences (Evans, 2010). Dirk Rockendorf (2010), Head of Continental AG eBusiness (headquarters based in Germany) has rolled out a social media marketing strategy to the Continental business units around the world, including South Africa. He (Rockendorf, 2010) explains that Continental Germany uses social media marketing for communication purposes as part of the online marketing mix to establish brand presence in the virtual market place.

3.4.4 CONTINENTAL AND SOCIAL MEDIA MARKETING

Continental is an international tyre and rubber manufacturer founded in Hanover Germany in 1871. Today, Continental ranks among the top four tyre manufacturers (Bridgestone, Continental, Dunlop and Goodyear) worldwide with business units in forty six countries including South Africa (Continental, 2011). Continental Tyre South Africa (CTSA) is located in Port Elizabeth and manufactures the Continental, General Tyre and Barum brands in South Africa (Continental, 2011). Continental's marketing strategy is set annually at the headquarters in Germany and one of the key deliverables for 2011 is the roll out and application of social media marketing (Rockendorf, 2010).

At present Bridgestone, Continental, Dunlop and Goodyear do not have a social media presence in South Africa for the local business units (Facebook, 2011; Twitter, 2011). Publicity has taken on a different dimension and the natural step for CTSA is to engage in social media marketing. CTSA would be the first local tyre manufacturer to launch a Facebook and Twitter page thereby giving CTSA first mover advantage (Rockendorf, 2011). Continental AG Market Intelligence (2010) conducted market research to investigate the relationship between online tyre research and tyre purchases. The results from the study as indicated in figure 3.2 below, showed that Poland, France and Germany respectively had the highest number of consumers researching tyre information online prior to the actual purchase of tyre (Continental AG Market Intelligence, 2010). The factors affecting these results were not available for review however these results supported Continental AG's social media marketing strategy as there was sufficient interest in online research regarding tyre purchases.

Figure 3.2: 2009-2010 comparison of online tyre research

**Online information on tyres –
Countries 2010 vs. 2009**

In Poland, Germany and France the number of persons gathering information online is the highest

Information on tyres via the Internet...

■ Yes   ■ No

Germany
2010 (n=288)   21   79
2009 (n=310)   20   80

France
2010 (n=449)   20   80
2009 (n=615)   17   83

Great Britain
2010 (n=546)   14   86
2009 (n=593)   15   84

Italy
2010 (n=286)   10   90
2009 (n=237)   9   91

Spain
2010 (n=347)   12   88
2009 (n=326)   6   94

Poland
2010 (n=431)   25   74
2009 (n=435)   20   80

Don't know ▦

Base: Respondents with tyre purchase in the last 12 months | in percent   mindline energy GmbH
Question 11: And have you researched information via Internet before you purchased tyres?   108005 | Continental

Source: Continental AG Market Intelligence (2010)

Due to the level of increased online activity as indicated in figure 3.2 above, Continental AG has launched social media marketing as it offers new possibilities to communicate and interact with consumers (Rockendorf, 2010). Information relating to product features, promotional campaigns, and the latest next generation product launches may be uploaded onto Facebook and communicated to the "*friends*" of Continental's social network pages (Continental, 2011). This gives Continental Germany the opportunity to communicate the brand more explicitly online (Rockendorf, 2010). The purpose of Continental AG's social media strategy according to Rockendorf (2010) is to:

- Promote the brand by creating brand image and brand awareness;
- Promote the product (tyres) by creating awareness and purchase intent;

- Provide consumers with a means of researching tyre brands in online environments;

- Run campaigns to reach and inform more or new target markets within a given time frame to promote the brand and products;

- Generate more traffic between Continental's social networking site and the corporations website; and

- Create new platforms for consumer interaction and/or consumer binding.

Taking the above factors into account, CTSA is in the process of investing in social media marketing as part of Continental's social media marketing strategy, however the results from the research study conducted by Continental AG Market intelligence (2010) need to be taken into consideration. As per figure 3.3 below, the research study indicated that 37% of South African respondents purchased tyres in 2010. Of the 37%, 44% were male and 24% were female. 43% of tyre purchasers were between the ages of 35- 49 years; this represented 17% of the total sample. 30% of tyre purchasers were 50 years and older, representing 8% of the total sample (Continental AG Market Intelligence, 2010).

The results from figure 3.3 indicate that overall South African tyre purchasers were not inclined to research tyres online prior to their purchase. Factors influencing this result were not investigated as part of the study (Continental AG Market Intelligence, 2010). The research however did conclude that in South Africa only 3% of the sampled population engaged in online research prior to purchasing tyres. The results also proved that in no other country were there fewer consumers gathering information online than South Africa (Continental AG Market Intelligence, 2010).

**Figure 3.3: 2010 tyre purchases in South Africa**
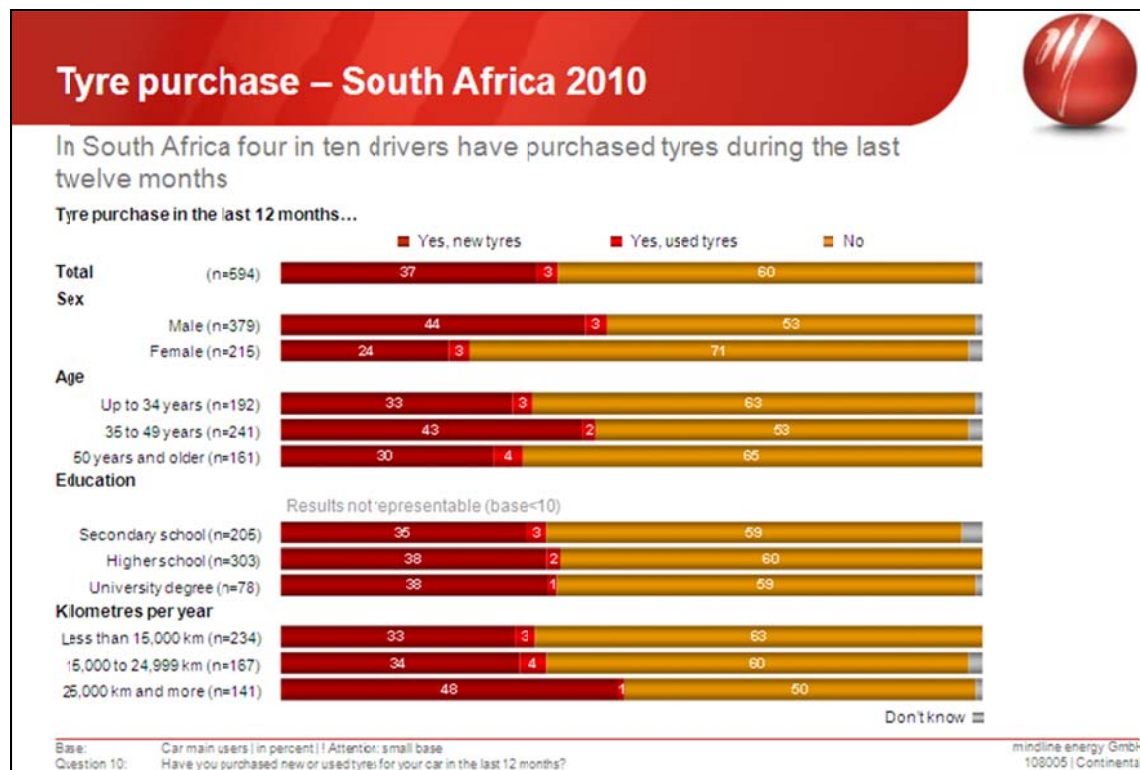
Source: Continental AG Market Intelligence (2010)

At present the CTSA website (www.continental.co.za) provides consumers with the opportunity to search for an appropriate tyre size for their vehicle(s) and locate the nearest dealers for the fitment of tyres. These functionalities are referred to as "tyre finder" and "dealer locator" respectively (Continental, 2011). The website also provides consumers with information on the products available from Continental together with the product's attributes and technical specifications (Continental, 2011). Based on the results as indicated by figure 3.3 and figure 3.4, it is evident that of the 594 respondents, only 220 respondents (37%) purchased tyres in 2010 and of the 220 respondents who did purchase tyres in 2010, only 7 respondents (3%) researched their tyre purchases online prior to the final purchase decision (Continental AG Market Intelligence, 2010). The results (as per figures 3.3 and 3.4) did not reveal the main factors influencing

the low utilisation of online research in South Africa with regard to tyre purchases (Continental AG Market Intelligence, 2010).

Figure 3.4: Summary of online research prior to tyre purchase
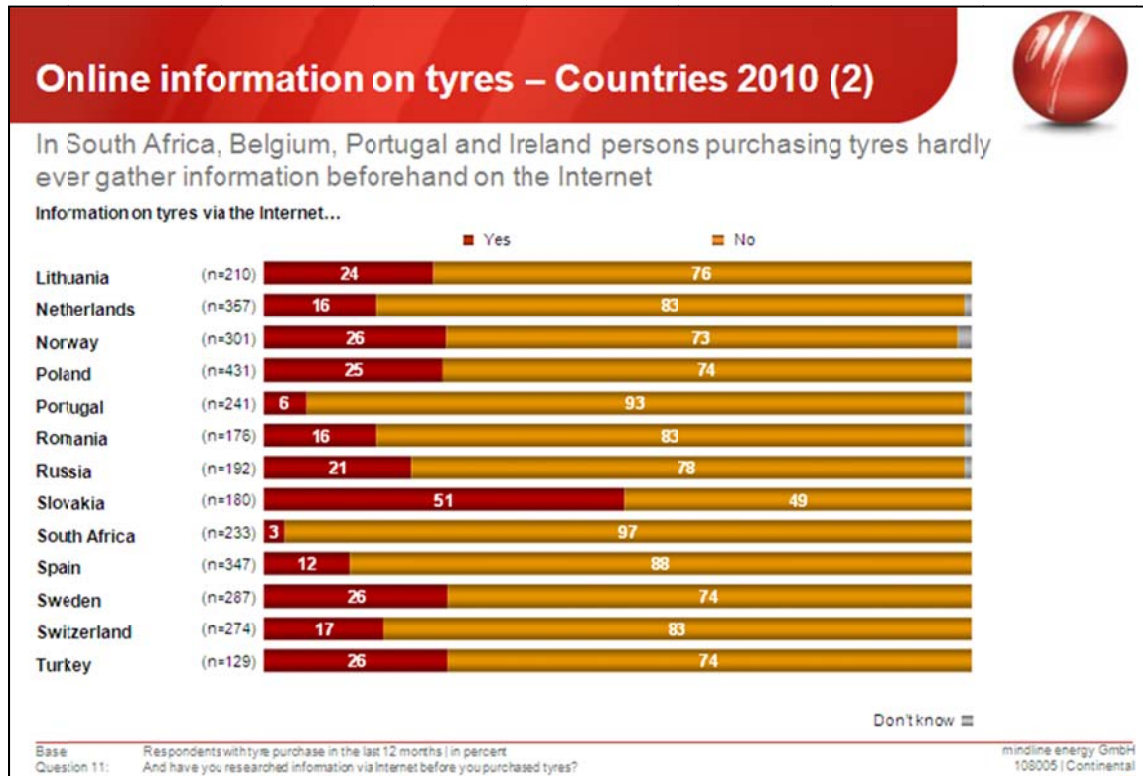
Source: Continental AG Market Intelligence (2010)

Additional statistics regarding social media and online statistics were published in the 2010 and 2011 social media marketing reports (Stelzner 2010, 2011) and the results showed that there was significant growth in the use of social media by age demographics from 2010 to 2011. The results as reported by Stelzner (2010, 2011) as per figure 3.5 reflect that in 2010 people age 20- 29 years spent the most time using social media marketing (59% spending 6+ hours weekly), followed by 40-49 year olds (58% spending 6+ hours weekly) and then 30-39 year olds (58% spending 6+ hours weekly).

The results in figure 3.5 further indicate that in 2011 people aged 20- 29 years spent more time than other age groups using social media marketing (with 41% spending 11+ hours weekly), followed by 30- 39 year olds (37% spending 11+ hours per week). This is an increase over the 2010 study (Stelzner 2010, 2011).

Figure 3.5: Age factor comparison 2009-2010
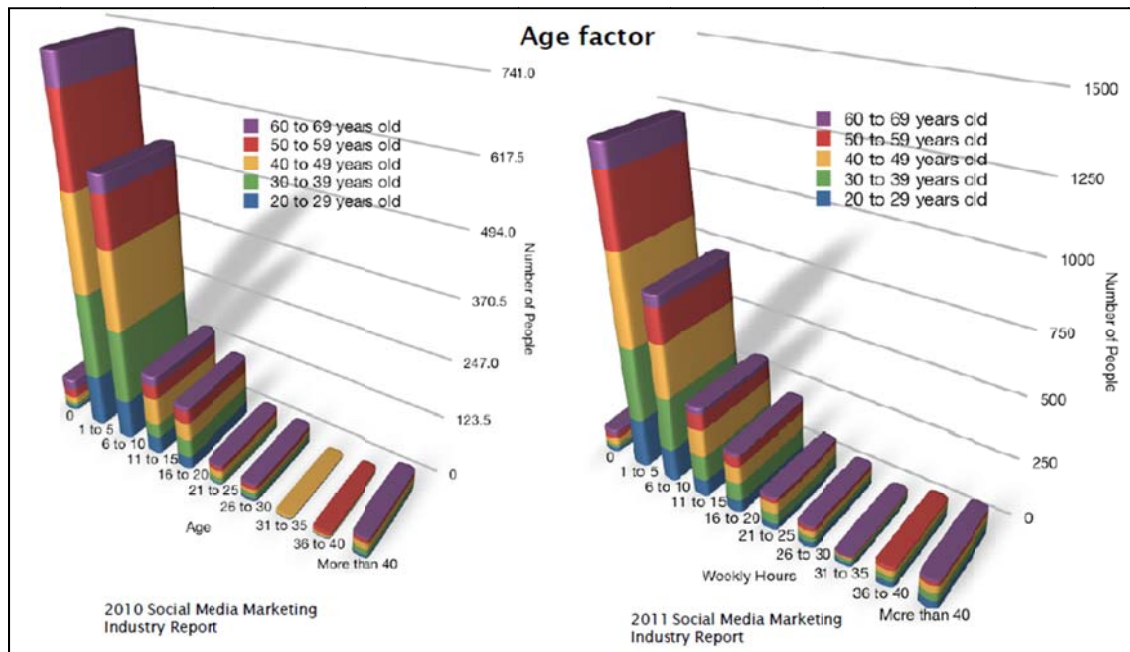
Source: Stelzner (2010, 2011)

The Continental AG Market Intelligence Report (2010) indicated that most tyre purchases in South African are made by males aged between 35-49 years and only 3% of the total population had any desire to research and investigate tyre brands prior to tyre purchase online. However Stelzner (2011) indicated (as per figure 3.5) that globally there has been a growth in the use of social media marketing as a research tool from 2010 to 2011 and that 37% of social networking users in 2011 are aged between 35-39 years of age.

Based on the growth of social networking from 2010 to 2011 (Stelzner 2010; 2011), further insight is required to assess if social media marketing is an appropriate marketing strategy for CTSA. Whilst globally there has been a 37%

increase in social network users between ages 35-39 years in 2011, further research is required to assess if this growth is representative for South Africa. In conclusion, although social media marketing presents marketers with a more cost effective form of marketing (Kweskin, 2007), further research regarding South African consumer's online purchasing activities would be required to assess if the time, money and resources required to manage social media marketing for CTSA would be of benefit to the organisation.

3.5 SUMMARY

The internet has evolved into an information economy and social media marketing is influential in the consumer's final purchase decision in an online environment (Evans, 2010). Electronic marketing and more specifically social media marketing provides marketers with an online platform to promote brand image and brand awareness, provide consumers with a means for researching brands online and generate traffic between organisations websites and social media platforms (Branz, 2010; Evans, 2010). The advantages of social media marketing are that social media gives brands a voice, a global audience and flexibility to reach the audience. Consumers are aware of the influence they command over social media therefore marketing strategies need to be highly interactive and they must facilitate real time feedback between consumers and marketers (Evans and McKee, 2010).

The literature review concluded that whilst social media marketing presents marketers with a more cost effective form of marketing further research regarding South African's online purchasing activities would be required to assess if the time, money and resources required to manage social media marketing for CTSA would be of benefit to the organisation. The empirical research that follows is based on the consumer's purchase decision process in conjunction with social media marketing. The research measures South African consumer's usage of the internet and social media for researching information about tyre brands.

CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

Research is a systematic process of enquiry and investigation and is conducted by means of research methodology: namely quantitative and qualitative research methodologies (Leedy and Ormrod, 2005). Once the researcher has decided on an appropriate methodology, the researcher will then be able to decide on a research tool; a specific mechanism or strategy used to collect, manipulate and interpret data (Leedy and Ormrod, 2005).

The social phenomena investigated in the research study that follows are the elements of consumer's purchasing behaviour in online environments and the influence of social media in the consumers' purchase decision journey. The research addresses the main problem which is to assess South African consumer's attitudes towards online research; more specifically the impact of social media as a research tool during the consumer's decision making process in the tyre industry. Therefore the appropriate research tool is qualitative research methodology.

The starting point to address the main problem in terms of a qualitative research methodology is to determine the research paradigm or conceptual framework. The conceptual framework addresses variables which could affect the South African consumer's final purchase decision in online environments. These variables are:

- The internet and social media as a research tool;
- Consumer-brand engagement; and
- Online recommendations.

4.2 RESEARCH AND RESEARCH DESIGN

Research is a systematic process of enquiry and investigation (Collis and Hussey, 2009) by collecting, analysing and interpreting data (Leedy and Ormrod, 2005). Research as defined by Kothari (2008) refers to the search for facts and knowledge; it is the objective, scientific and systematic approach to searching for information. The goal of research is to obtain an understanding and better insight into the phenomena which are being studied (Collis and Hussey, 2009).

Collis and Hussey (2009) summarised typical research objectives as follows:
- To review, analyse and synthesise existing knowledge;
- To analyse and investigate existing problems or phenomena;
- To provide solutions to problems;
- To generate new ideas;
- To create new systems and procedures;
- To generate new knowledge; and
- Any combination of the above.

Based on the above objectives it is concluded that research is a means of finding answers to problems or drawing conclusions from observations to address the gap in the knowledge base (Leedy and Ormrod, 2005; Collis and Hussey, 2009). According to Leedy and Ormrod (2005) research should be objective; therefore measuring instruments (e.g. questionnaires and surveys) should be used to conduct research studies to ensure that observations are not influenced by the researcher's perceptions, impressions and biases. Most researchers strive for objectivity and one way of remaining objective is to identify a systematic way of measuring the phenomena being studied. Measurement limits the pool of data used to study the phenomena, so that the data may be interpreted and compared to an acceptable qualitative and quantitative standard (Leedy and Ormrod, 2005).

4.3 QUANTITATIVE AND QUALITATIVE RESEARCH

Two types of research approaches exist; namely quantitative and qualitative research methodologies (Collis and Hussey, 2009). Quantitative research as depicted in table 4.1 is objective and statistical in nature and focuses on measuring phenomena (Collis and Hussey, 2003). This type of research methodology, also sometimes referred to as *positivism*, is used to study relationships among measurable variables with the purpose of explaining, predicting and controlling phenomena (Collis and Hussey, 2003; Leedy and Ormrod, 2005) and generally produces results with a high degree of reliability (Collis and Hussey, 2009). The intent of quantitative research is to study complex situations and develop generalisations that contribute to the theory (Leedy and Ormrod, 2005). Thus quantitative research is used to confirm or validate a relationship amongst variables and logical conclusions are based on scientific results (Collis and Hussey, 2004; Leedy and Ormrod, 2005).

As per table 4.1 below, qualitative research is exploratory in nature and is based on descriptive data which has been collected from participants in a research study (Leedy and Ormrod, 2005). According to Collis and Hussey (2003) qualitative research, also sometimes referred to as *interpretivism*, is subjective in nature and examines perceptions to gain insight and understanding on human and social behaviour. This research methodology is used to help the researcher understand how people feel and why they feel the way that they do (DJS Research, 2011) and generally produces results with a high degree of validity (Collis and Hussey, 2009). Qualitative research as explained by Leedy and Ormrod (2005) is based on the researcher's interpretation from observing social behaviour of people or places and is limited to the researchers open mindedness, creativity and rational when interpreting the result. Thus qualitative research is useful in understanding and interpreting social behaviour (Collis and Hussey, 2003; Leedy and Ormrod, 2005).

Table 4.1: Qualitative and quantitative research methodologies

Qualitative Research Methodology	Quantitative Research Methodology	Qualitative research methodology appropriate for research study	Quantitative research methodology appropriate for research study
Reality is subjective, as seen by participants	Reality is objective	X	
Focus is on understanding phenomena	Focus is on measuring phenomena	X	
Research is exploratory interpretive	Research is confirmatory predictive	X	
Literature available on the phenomenon is limited	Literature available on the phenomenon is large	X	
Research focuses on an in-depth study	Research covers a large breath	X	X
Researcher interacts with that being researched	Researcher is independent from the research	X	X
Researcher acknowledges that biases are present	Research is unbiased	X	X
Research is written in an informal style	Research is written in a formal style	X	
Research process is deductive in nature	Research process is inductive in nature	X	
Analytical objective is to describe variation	Analytical objective is to quantitfy variation	X	
Research is context bound	Research is context free	X	
Study design is iterative	Study design is subject to statisitcal conditions and assumptions	X	
Patterns or theories are developed for understanding	Generalisations lead to predictions, explanations and understanding	X	
Findings are accurate and reliable through verification	Results are accurate and reliable through validity and reliability	X	

Source: Adapted from Collis and Hussey (2009)

Table 4.1 above summarises that quantitative research seeks to confirm hypotheses about phenomena and instruments used to test the hypotheses are rigid in style and in categorising responses to questions (Leedy and Ormrod, 2005; Collis and Hussey, 2003; 2009). The data format is numerical and the analytical objectives of quantitative research are to quantity variation, predict causal relationships and describe characteristics of a population. These factors as indicated figure 4.1 characterise the quantitative research approach as relatively inflexible in study design, as the study design is stable from beginning to end (Leedy and Ormrod, 2005; Collis and Hussey, 2003; 2009).

Qualitative research as outlined in table 4.1 seeks to explore and understand phenomena. The research instruments are more flexible and iterative in style and prompt participants to share their thoughts, opinions or perceptions. As indicated in table 4.1, the analytical objectives of qualitative research are to describe variation, explain relationships and describe group norms, values and behaviour (Leedy and Ormrod, 2005; Collis and Hussey, 2003; 2009). Qualitative research methodology as defined by DJS (2011) is therefore suitable for research which requires the researcher to:

- Understand the decision making process for a product or service (including the criteria used to make that decision);
- Understand the consumer's views or image of a brand; and
- Gain in-depth reactions to communications.

As a result the data format for qualitative research is textual and data may be obtained via questionnaires, videos, observations, interviews and focus groups. These factors characterise qualitative research as relatively flexible in study design as participants affect what type of questions the researcher will ask next as the study progresses (Leedy and Ormrod, 2005; Collis and Hussey, 2003; 2009). Based on table 4.1, it is clear that the social phenomena being investigated provides an indication to the researcher on which research methodology (quantitative or qualitative) to follow for the purposes of the research study. The social phenomena being investigated in this research study are the elements of consumer's purchase decision in online environments and the influence of social media marketing in the consumer's purchase decision journey. Table 4.1 further indicates that as the social phenomena under review are reliant on the participant's views, opinions and perceptions. Therefore qualitative research methodology is the appropriate research methodology for the research study that follows. However, as the demographics and time spent on the internet will also be researched, the study will contain a minor section based on quantitative research methodology.

The literature review as discussed in chapter three explored electronic marketing, social media marketing and the impact of social media marketing on consumer's purchase decisions. This discussion centred on the consumer's purchase decision journey, consumer's perceptions of brands and social media marketing as a communication tool. The research study that follows assesses the South African consumer's readiness for social media marketing in the tyre industry.

4.4 RESEARCH PROBLEM

Continental AG has rolled out social media marketing strategy to its individual business units as a global company imperative for 2011. Research conducted by Continental Market Intelligence (2010) indicated that Germany's tyre purchasers had a high affinity to research tyre purchases online prior to actual purchase and as a result social media marketing has been successful in Germany. The study (Continental Market Intelligence, 2010) also indicated that in South Africa, only 3% of tyre purchasers researched online prior to final purchase. These results were discussed in the literature review (chapter three) and begs the question if social media marketing strategy is an appropriate marketing strategy for the South African tyre market; both from the consumers and CTSA's perspective. This study that follows addresses this following problem:

4.4.1 MAIN RESEARCH PROBLEM

The social phenomena investigated in the research study that follows are the elements of consumer's purchasing behaviour in online environments and the influence of social media marketing in the consumer's purchase decision. The main problem which this study aims to address is South African consumer's attitudes toward online tyre research; more specifically the impact of social media marketing as a research tool during the consumer's decision making process when purchasing tyres.

In order to address the main problem the following research questions has to be resolved:

4.4.2 RESEARCH QUESTIONS

The main problem as defined in section 4.4.1 above is too large to be resolved without breaking it down into research questions. By solving the main problem through the research questions, the researcher obtains a better methodology of approaching and investigating the problem. This means that the main problem is resolved in component parts (Leedy and Ormrod, 2005).

The research questions have been identified as follows:

Research question 1

- What are the key elements contributing to effective marketing strategy?
    - What are the traditional elements of marketing strategy?
    - What is the new role of the 7P's marketing mix in terms of consumer engagement?
    - How can marketers affect consumers during the consumer's purchase decision journey?

Research question 2

- What is an ideal social media marketing strategy?
    - How can marketers utilise social media marketing tools effectively to reach consumers during the consumer's purchase decision journey?

Research question 3

- What are the perceptions of South African consumers regarding social media as an interactive channel of communication between consumers and brands?
    - Are South African consumers willing to engage with brands on social media platforms to increase their knowledge about the brand's performance, specification, capabilities and price?

- Are South African consumers willing to share their opinions, perceptions and experiences regarding tyre brands and tyre purchases with other consumers on social media platforms?

Research question 4

- Does social media marketing present an opportunity for CTSA to reach consumers in online environments?
  - Will electronic marketing and social media marketing be an appropriate strategy for CTSA to communicate information about tyre brands to the South African tyre market?
  - Which social media marketing tools would be most effective for CTSA to apply when implementing social media marketing strategy in the South African tyre market?

Research questions one and two were addressed in the literature reviews in chapter two and three respectively. In these literature reviews specific elements such as traditional marketing strategy, the marketing mix, electronic marketing, social media marketing strategy and the consumer's purchase decision journey were discussed in-depth. The findings revealed whilst traditional marketing strategies remained the basis for marketing activities, there is opportunity for marketers to affect consumer's purchase decisions via social media marketing in online environments. This would require constant vigilance by marketers in order to meet and/or exceed consumer's expectations in the market place. In order to answer research questions three and four it was necessary to develop a questionnaire for empirical field research. This involved developing a conceptual framework based on the literature review and clearly designing a questionnaire to test the conceptual framework (Leedy and Ormrod, 2005).

4.4.3 CONCEPTUAL FRAMEWORK

The starting point to address the main problem and research questions as discussed above in terms of qualitative research methodology is to determine the

research paradigm or conceptual framework. The conceptual framework defines the specific elements which the researcher needs to focus on when using research tools (e.g. surveys or questionnaires) to conduct the research. The conceptual framework as per figure 4.1 below was derived from the literature study (as discussed in chapters two and three) and the research questions above.

Figure 4.1: Conceptual framework for qualitative research study
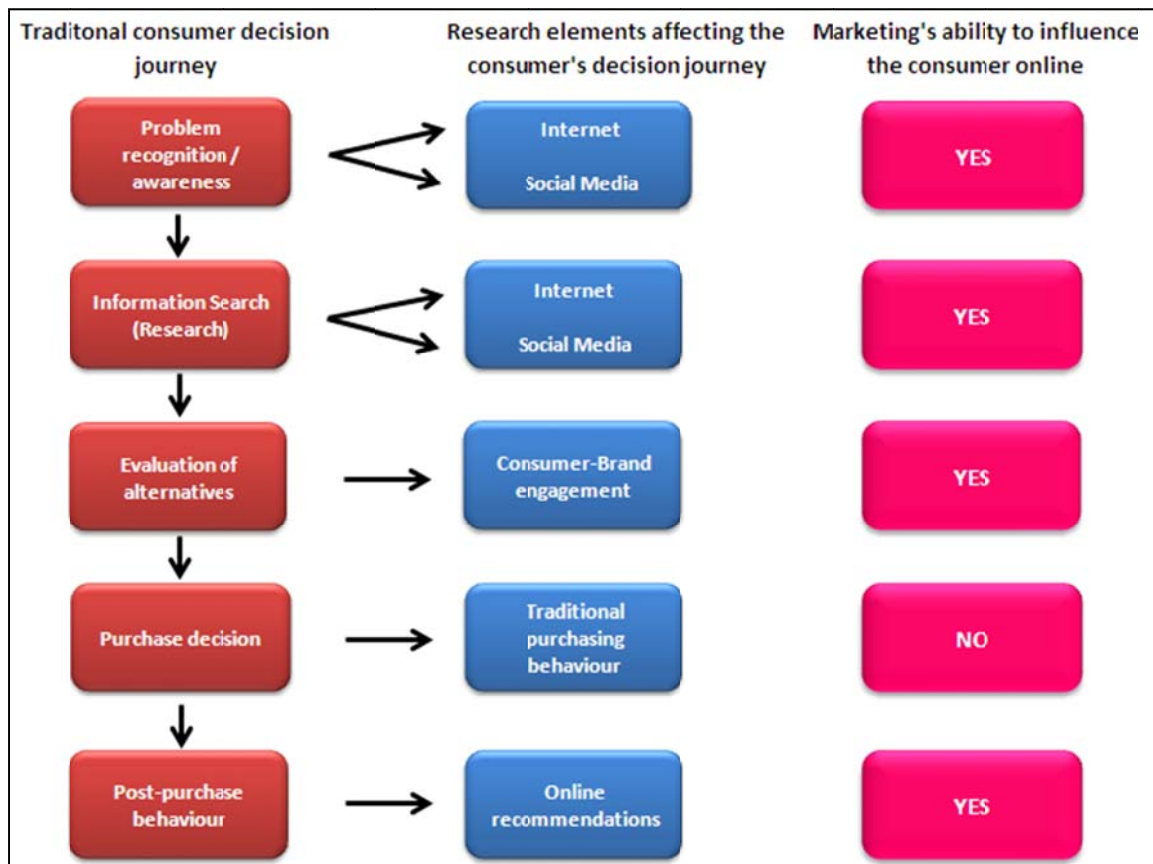
Source: Based on Court *et al*. (2009)

Based on the results from the research by Fauser *et al.* (2011) and Cuming, (2008), it was concluded that social media marketing can influence the consumer's purchase decision journey. Taking into account South African's reluctance towards online research for tyre purchases (Continental Market

Intelligence, 2010), the conceptual framework (figure 4.1) is designed to assess if social media marketing strategy has the ability to influence South African consumers by telling them about the product, selling the product attributes and benefits and finally persuading the South African consumers to purchase the product during the first three and last stages of the consumer's decision journey.

As depicted in the conceptual framework in figure 4.1, the research elements influencing the consumer's final purchase decision are:

- **Internet and social media:** The research objective is to assess if marketing activities to stimulate the need for the tyre brands through aggressive online marketing communication and brand awareness will be effective via company websites and/or social media platforms. Consumer's perceptions about online information available through electronic media and print advertisements, recommendations (eWOM) and blogs will be assessed. Two critical areas of investigation are (1) South African consumer's accessibility to the internet and (2) South African consumer's awareness of social media.

- **Brand-consumer engagement:** The research objective is to assess if consumers would consider engaging with tyre brands (via marketers) on social media platforms to learn more about the brands performance specification, price and capabilities.

- **Online recommendations:** The research objective is to assess if consumers are willing to engage in eWOM by sharing opinions, perceptions and experiences regarding tyre brands with other consumers.

Once the conceptual framework is clear in the mind of the researcher, the next step is to develop the research tool (Leedy and Ormrod, 2005). For the purpose of this qualitative research, the research tool to assess the South African consumer's readiness for social media marketing is a questionnaire.

4.5 CONDUCTING THE RESEARCH STUDY

4.5.1 DEVELOPMENT OF QUESTIONNAIRE

The research should be conducted at an appropriate time where most participants would be available to complete the survey. A professional questionnaire must be accompanied with a cover letter to inform participants about the importance and relevance of the research (Leedy and Ormrod, 2005). According to Leedy and Ormrod (2005) the cover letter should:

- Provide an explanation of the nature of the research;
- Stress the importance of the participants involvement in the research;
- Promise anonymity and confidentiality of the participants details,
- Offer results to the participant; and
- Thank the participant for their contribution to the research study.

The research for this study was conducted by means of a questionnaire as per annexure A. The development of the questionnaire was based on the literature review (chapters two and three); specifically the impact of social media on the consumer's final purchase decision.

The questionnaire was categorised as follows:

- Demographic information;
- Accessibility and hours spent on the internet;
- Uses of the internet;
- Awareness of social media;
- Social media as a form of engaging the consumer and the brand; and
- Social media as a form of word of mouth marketing.

The questionnaire commenced with a cover page and was followed by closed ended questions which were divided into two sections:

- **Section A:** Demographics; and
- **Section B:** Social media and the internet

Section A addressed the race, age and gender of participants which is necessary for the correlation between age, the time spent and uses of the internet. Section B addressed social media and the internet as form of engaging the consumer with the brand. This section comprised of questions which were strongly focused on the consumer's purchase decisions in online environments. Questions were short and clear and participants were asked for either "yes or no" answers or to select "applicable" answers from a list provided to them. There was sufficient space available for participants to make remarks if they desired. As this is a qualitative study, the questions were designed to ensure that the results represented a high degree of reliability.

4.5.2 VALIDITY AND RELIABILITY OF MEASUREMENT

Validity and reliability are associated with measurement (Leedy and Ormrod, 2005). The validity and reliability of a measuring instrument influences the degree to which the researcher can learn valuable information based on the phenomena being studied. Validity and reliability of measuring instruments influences the degree to which the researcher can gain knowledge about the phenomena which is being studied (Leedy and Ormrod, 2005).

Validity is the extent to which the instrument measures what it is supposed to measure; it refers to the effectiveness of a measuring instrument (Leedy and Ormrod, 2005). Collis and Hussey (2009) write that an effect or test is valid if the results reflect what the researcher claimed it did and is most often associated with quantitative research methodology. Therefore validity is concerned with the extent to which research findings accurately represent what is happening in the situation (Collis and Hussey, 2009).

Reliability is generally associated with qualitative research methodology (Collis and Hussey, 2009). Reliability is the consistency with which a measuring instrument yields a certain result when the entity being measured has not

changed; it is concerned with accuracy and credibility (Leedy and Ormrod, 2005). If the research had to be repeated through another sample and the results obtained were the same as the initial research, then the findings from the research are said to be reliable (Collis and Hussey, 2009).

Prior to the fieldwork, the questionnaire was submitted to two subject matter experts for review (one in the tyre industry and one in marketing management) to assess the reliability of the questionnaire. Both experts reviewed the questionnaire and provided critical feedback to improve to the user friendliness of the questionnaire. Once the questionnaire was corrected and approved by the subject matter experts, a pilot study was conducted at a tyre dealership in Port Elizabeth. The results from the pilot study are discussed in section 4.5.3.

4.5.3 PILOT STUDY

Pilot studies are important in assessing the quality and usability of the research questions. Pilot studies give the researcher an indication of the quality of results that the researcher will most likely receive (Leedy and Ormrod, 2005). For the purpose of this research study, a pilot study was conducted at a local tyre dealership in Port Elizabeth one week prior to the official field research in Pretoria. The questionnaire was given to four customers who had purchased tyres from the dealership and these customers were provided with a brief explanation of the research study and the pilot study. Once the questionnaire was completed by the participants, the participants offered feedback and suggested improvement to the questionnaire. All feedback was taken into account and the researcher made several improvements to the questionnaire. The revised questionnaire was more user-friendly and proved to be successful during the official field study. Based on the design of the post-pilot questionnaire, it was determined that a sample consisting of between forty to fifty responses would be an appropriate sample for the official research study.

4.5.4 POPULATION AND RESEARCH SAMPLE

A population consists of all items of interest in an investigation. A sample is a subset of a population and provides insight about populations (Evans, 2007). The unit of analysis (the major entity under investigation) in this study was the South African tyre consumer who purchased two or more tyres in a single purchase. The rational for this sample selection is that multiple tyre brands and a mix of tyre tread patterns on a single vehicle are not recommended by the tyre industry due to safety considerations (Continental, 2011). It is therefore more likely for a consumer to consider alternate tyre brands and/or different tyre sizes when they purchase two or more tyres for their vehicle(s).

For the purpose of this research study, fifty participants were requested to complete the questionnaire at two tyre dealerships in Pretoria, South Africa during April 2011. All participants were waiting for their vehicles at the tyre dealership therefore they were easily accessible as they has sufficient time to complete the questionnaire and ask questions about the research whilst they waited for their vehicles. The questionnaire was administered over two days and no assistance was required by the participants to complete the questionnaire. All questionnaires were returned by the participants.

4.5.5 ADMINISTRATION OF THE QUESTIONNAIRE

The research was conducted at two tyre dealerships in Pretoria, South Africa, one week prior to the Easter weekend in April 2011. Experts in the tyre industry recommended this period for the research as it is a generally busy period at tyre dealerships with customers rushing to rotate, maintain or purchase new tyres prior to travelling during the Easter holidays. The researcher personally handed questionnaires to the participants who were asked to complete the questionnaire. The questionnaire had a cover page introducing the researcher and the purpose of the research study. The cover page also contained instructions for completion of the questionnaire and the time required to complete the questionnaire. The cover page concluded with a confidentiality clause and instructions to return the

completed questionnaire to the researcher. Based on the consumer traffic at the dealership, an 80% response rate of correctly completely questionnaires was achieved.

4.5.6 RESPONSE RATE

The response rate indicates the number of people who have completed the questionnaire. The response rate is critical to the research study as it indicates whether the results are representative of a population (Leedy and Ormrod, 2005). Factors affecting the response rate were identified to be the length of the questionnaire, content of the questionnaire and anonymity of the questionnaire. Feedback from the respondents indicated that the length of the questionnaire was slightly overwhelming however they believed that the questions were clear and concise. The respondents also provided positive comments regarding the anonymity of questionnaire although many were reluctant to discuss their purchasing behaviour and disposable income. For the purpose of this survey, an 80% response rate was achieved. These responses will be used in the analysis of the data collected from the respondents in chapter five.

4.5.7 RESEARCH ETHICS

Leedy and Ormrod (2005) write that ethical implications must be considered when conducting research. These ethical issues are broadly:

- Protection from harm: Researchers do not expose research participants to physical or psychological harm;
- Informed consent: Research participants should be informed of the nature and purpose of the study. Research participants should be given:
  - The choice to participate or not;
  - A brief description of the nature of the study;
  - A description of what the participation will involve;
  - A list of potential risks involved in the study;

- A guarantee of confidentiality; and

- An offer to provide detailed information about the study.

- The right to privacy: The research should keep the nature and quality of the research participant's performance and/or feedback confidential; and

- Honesty: Research reports must be complete and honest. Findings must be presented objectively and without misrepresentation.

The above considerations were applied to the questionnaire as per annexure A.

4.6 SUMMARY

The social phenomena being investigated in this research study are tyre consumer's purchasing behaviours in online environments and the influence of social media in the consumer's purchase decision journey. The objective of the research is to determine South African tyre purchaser's attitudes towards online research, specifically the impact of social media as a research tool during the consumer's decision making process. As the social phenomena under review are reliant on the participant's views, opinions and perceptions, qualitative research methodology was deemed as the appropriate research methodology for the research study that follows. The questionnaire was administered during the week before the 2011 Easter weekend. Based on the responses to the questionnaire, the research analysis that follows in chapter five will be assessed in terms of:

- Demographic information;

- Accessibility and hours spent on the internet;

- Uses of the internet;

- Awareness of social media;

- Social media as a form of engaging the consumer and the brand; and

- Social media as a form of eWOM marketing.

CHAPTER 5

RESEARCH ANALYSIS

5.1 INTRODUCTION

The conceptual framework in chapter four, figure 4.1 was based on the literature review as discussed in chapters two and three. The literature review concluded that social media marketing would be effective in influencing the consumer's purchase decision. Two previous research studies by Fauser *et al.* (2011) and Cuming (2008) indicated that social media marketing was an effective tool in communicating to consumers in online markets. The studies however did not include the South African market and further research was necessary to test the relevance of the results in the South African tyre market. The research analysis which follows is based on the conceptual framework as per figure 4.1 and analyses the South African consumer's attitudes towards the internet and social media as research tools.

The analysis is broken down into three components:

- **Internet and social media:** The research objective is to assess if marketing activities to stimulate the need for the brand or product through aggressive online marketing communication (brand awareness) will be effective through company websites and/or social media platforms.

- **Brand-consumer engagement:** The research objective is to assess if consumers are interested in engaging with brands (via marketers) on social media platforms to increase their knowledge about the brands performance, specification, capabilities and price.

- **Online recommendations:** The research objective is to assess if consumers are willing to engage in word of mouth (WOM) by sharing opinions, perceptions and experiences regarding tyre brands and tyre purchases with other consumers.

5.2 RESULTS AND ANALYSIS OF EMPIRICAL STUDY

As per table 5.1 below, the fieldwork for the research study was conducted on 18 and 20 April 2011. The targeted participants for the study were consumers who purchased two or more tyres in a single purchase for their privately owned vehicles. The research was conducted at two tyre dealerships in the city of Pretoria, South Africa. Of the fifty questionnaires which were distributed to the participants of the research study, only forty questionnaires were returned fully and correctly completed. This resulted in an 80% response rate.

Table 5.1: Summary of research sample

Objective:	a) Determine if consumers researched tyres online prior to final purchase. b) Determine if consumers consider social media as an online research tool.
Method:	Questionnaire using paper and pencil, filled in by the particpant
Country:	South Africa
City:	Pretoria
Dealership:	Autowiel Hi-Q Menlyn, Menlyn Motorcity, Garsfontein Drive, Pretoria Autowiel ContiPartner Montana, Montana Corner Shopping Center, Cnr. Dr. Swanepoel Road and Zambezi Drive, Montana
Universe:	Private vehicle owners aged eighteen plus, who purchase their tyres from either one of the two Autowiel dealerships
Target group:	Vehicle owners replacing two or more tyres in a single purchase
Sample size:	n=40 respondents
Fieldwork:	Russel Stewart, Student number: 203087275 Monica Ramsunder, Student number: 209030087
Field time:	Fieldwork conducted on Monday, 18 April 2011 and Wednesday, 20 April 2011 respectively

The questionnaire was categorised as follows:

- Demographic information;
- Accessibility and hours spent on the internet;
- Uses of the internet;
- Awareness of social media;
- Social media as a form of engaging the consumer and the brand; and
- Social media as a form of WOM.

The research analysis that follows will be discussed in the above segments.


5.2.1 ANALYSIS OF DEMOGRAPHIC INFORMATION

Section A of the questionnaire was based on demographic information; namely age, gender and race. Following the results from the previous research studies by Continental's Market Intelligence (2010) and Stelzner (2010; 2011), it was important to assess if the use of online research by South African tyre purchasers had increased from 2010 to 2011. Recall from the literature review in chapter three the key points from a previous online market research conducted by Continental (Continental AG Market Intelligence, 2010). Based on the research sample, only 37% of respondents purchased new tyres for their vehicles in 2010. A secondary study revealed that only 3% of respondents engaged in online research prior to the actual purchase if their tyres.

For the purpose of this study only consumers who purchased two or more tyres in a single purchase were interviewed. Multiple tyre brands and a mix of tyre tread patterns on a single vehicle are not recommended by the tyre industry due to safety considerations (Continental, 2011). It is therefore more likely for a consumer to consider alternate tyre brands and/or different tyre sizes should they purchase two or more tyres for their vehicle(s). The purpose of interviewing this specific sample was to test if consumers who were considering changing tyre brands and/or tyre sizes engaged in online research prior to actual purchase.

The aim of this study is to test the impact of online research and social media marketing in the tyre industry during the consumer's purchase decision journey.

Figure 5.1 Analysis of consumer demographics: age and race
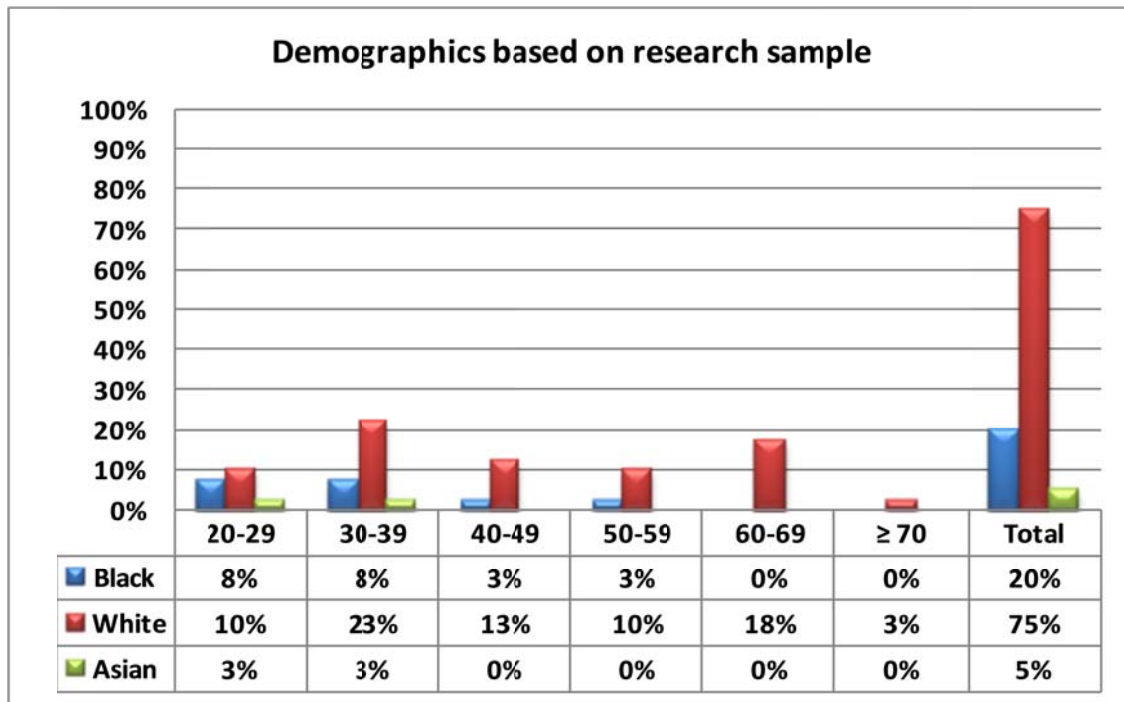
The first part of the questionnaire addressed consumer demographics. Figure 5.1 above indicates that of the forty respondents in the 2011 analysis, the majority of consumers (33%) were between 30-39 years of age followed by 20% consumers who were between 20- 29 years of age. Of the total respondents, the most tyres purchases were made by white consumers (87% male and 13% female). This statistic represented 22% of the total sample. Based on the results in figure 5.1 above, it is evident that the combination of tyre purchases in age groups 30-39 years and 40-49 years was 48%. However, tyre purchases in 2010 made by males aged between 35-49 years were recorded at 43% (Continental AG Market Intelligence, 2010). This reflects a 5% difference in tyre purchasers aged around 35-49 years from 2010 to 2011. Based on the 2011 results, it is deduced that a possible core target market for tyres manufacturers

are consumers between the ages 30-49 years of age. Once the 2011 results for age groups were compared to the 2010 results (Continental AG Market Intelligence, 2010), the next step was to compare the results in terms of gender.

Figure 5.2 Analysis of consumer demographics: gender

Tyre consumer demographics by gender

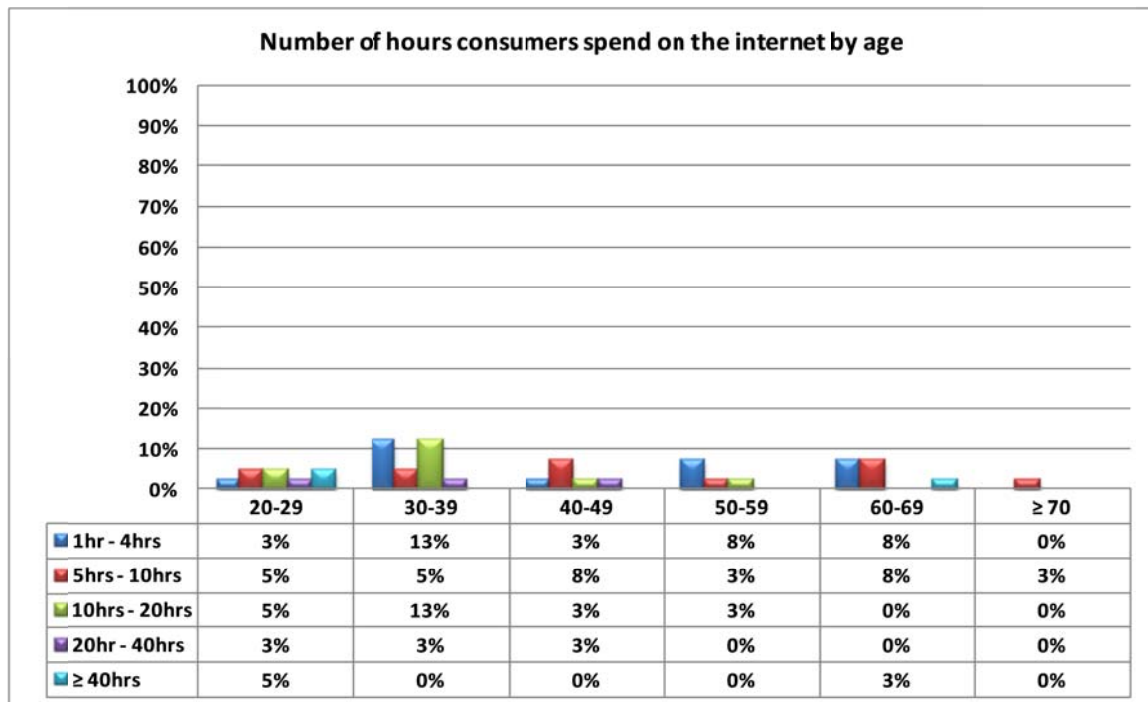|	Black	White	Asian
Male	10%	65%	0%
Female	10%	10%	5%
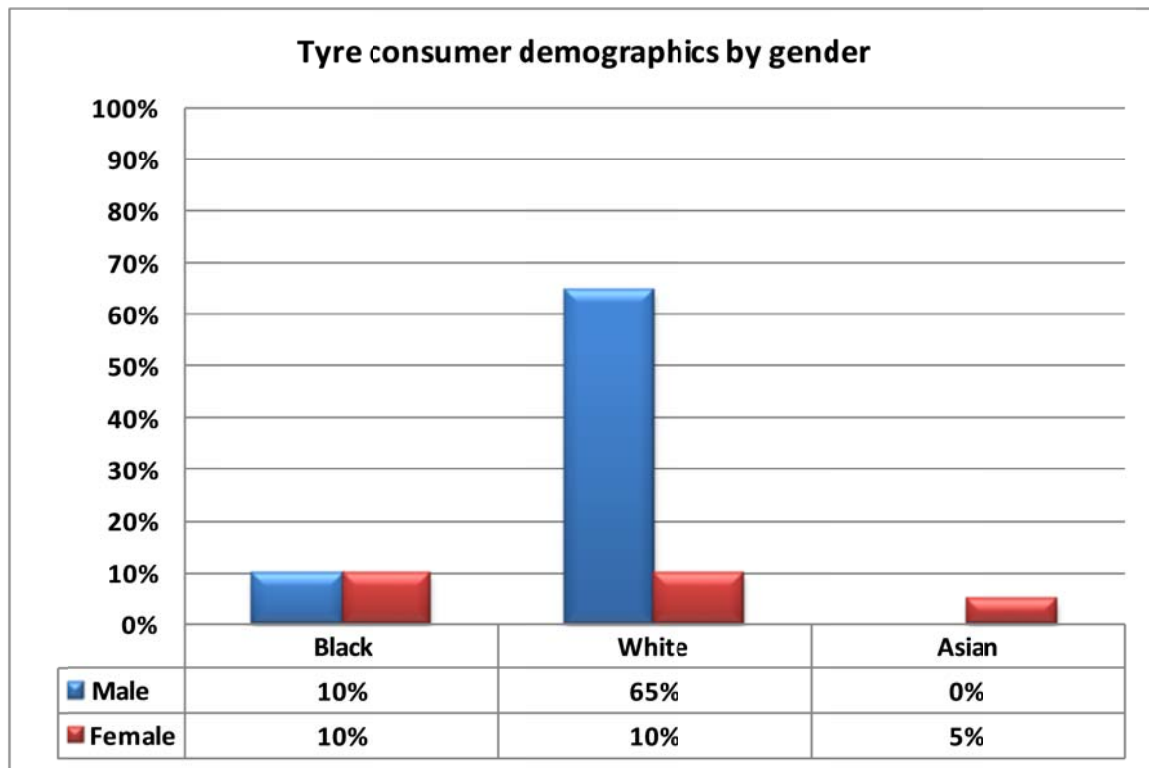
The results in figure 5.2 above indicate that in terms of gender, 75% of tyre purchases were made by males and 25 % of tyre purchases were made by females. This reflects a marginal difference of 1% when compared to the study conducted by Continental's Market Intelligence (2010) which reflected that in 2010, 76% of tyre purchases were made by males and 24% of tyre purchases were made by females. The majority of consumer was represented by 65% white males. It was further noted that 100% of the respondents who had purchased tyres had access to the internet in the form of a personal computer, work computer, internet cafe and mobile telephone. Following analysing the

results of tyre purchases by age and gender, the next step was to analyse number of hours consumers spent on the internet by age and gender.

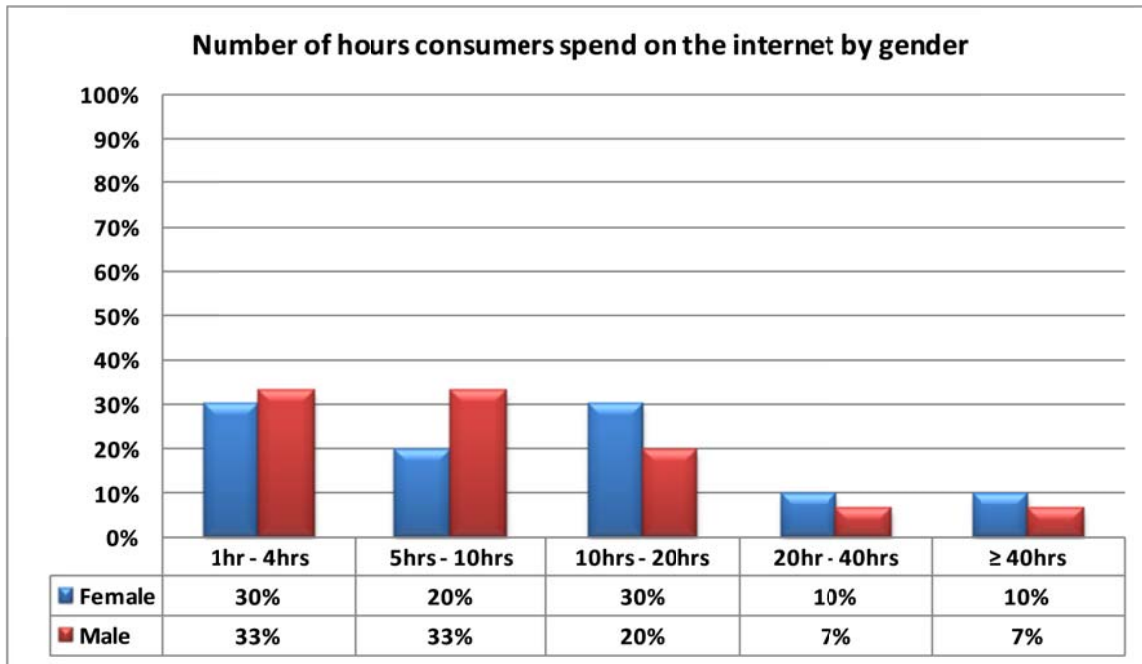## 5.2.2 ANALYSIS OF THE INTERNET AS A RESEARCH TOOL FOR CONSUMERS

Figure 5.3 below indicated that 63% of total respondents spent between 1-10 hours on the internet per week. This result comprised of age group 30-39 years old which represented 18% of this sample and age group 20-29 years which represented 8% of the sample.

Figure 5.3: Number of hours consumers spend on the internet by age

Number of hours consumers spend on the internet by age

|	20-29	30-39	40-49	50-59	60-69	≥ 70
1hr - 4hrs	3%	13%	3%	8%	8%	0%
5hrs - 10hrs	5%	5%	8%	3%	8%	3%
10hrs - 20hrs	5%	13%	3%	3%	0%	0%
20hr - 40hrs	3%	3%	3%	0%	0%	0%
≥ 40hrs	5%	0%	0%	0%	3%	0%

The results indicated that the majority of online users (26%) were aged between 30-39 years followed by age group 60-69 years which comprised of 16% of online users. The results as per figure 5.4 below further indicated that 33% of males spent between 1-4 hours and 5-10 hours on the internet respectively. 30% of females spent between 1-4 hours and 10-20 hours on the internet respectively. 100% of all respondents had access to the internet.

Figure 5.4: Number of hours consumers spent on the internet by gender

Number of hours consumers spend on the internet by gender

	1hr - 4hrs	5hrs - 10hrs	10hrs - 20hrs	20hr - 40hrs	≥ 40hrs
Female	30%	20%	30%	10%	10%
Male	33%	33%	20%	7%	7%

Based on these results from figures 5.2 and figure 5.3 above it is deduced that potential online marketing activities could be targeted to consumers aged between 30-39 years of age with emphasis on male consumers. Critical to segmenting the South African market in terms of internet usage, is to understand the main reasons behind South Africans accessing and utilising the internet. Figure 5.5 below, aims to provide CTSA with an indication of how many tyre consumers use the internet for social networking and as a research tool.

**Figure 5.5: Main reasons for consumers accessing the internet**
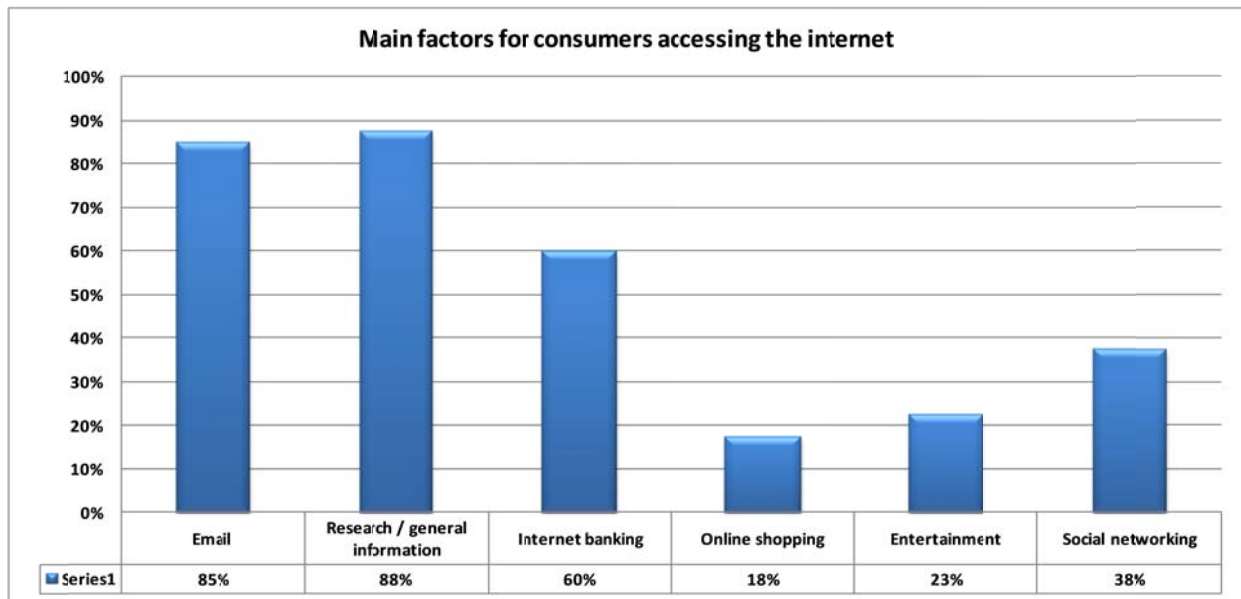
Participants were asked to specify the main reasons as to why they accessed the internet. The key findings resulting from this question are depicted in figure 5.5 above 88% of the respondents used the internet for general research, 38% used the internet to connect to and participate in social networking platform and 23% of respondents used the internet for general entertainment. 95% of total respondents were aware of social media however only 38% used the internet to participate in social networking. As 88% of the respondents used the internet for general research, the results indicated that there is an opportunity in online market places for CTSA to engage in online activities to attract internet users to research tyre purchases prior to actual purchase at tyre fitment centres.

5.2.3 ANALYSIS OF SOCIAL MEDIA AS A RESEARCH TOOL FOR CONSUMERS

The participants who engaged in social networking (38%) further indicated that of the social networking sites available, 90% were aware of Facebook followed closely by YouTube and Twitter. These results are depicted in figure 5.6 below. A limitation of these results is that 28% of the respondents indicated that they

were aware of other social networking platforms; however the questionnaire did not ask respondents to specify these platforms.

Figure 5.6: South African tyre consumer's awareness of social media platforms
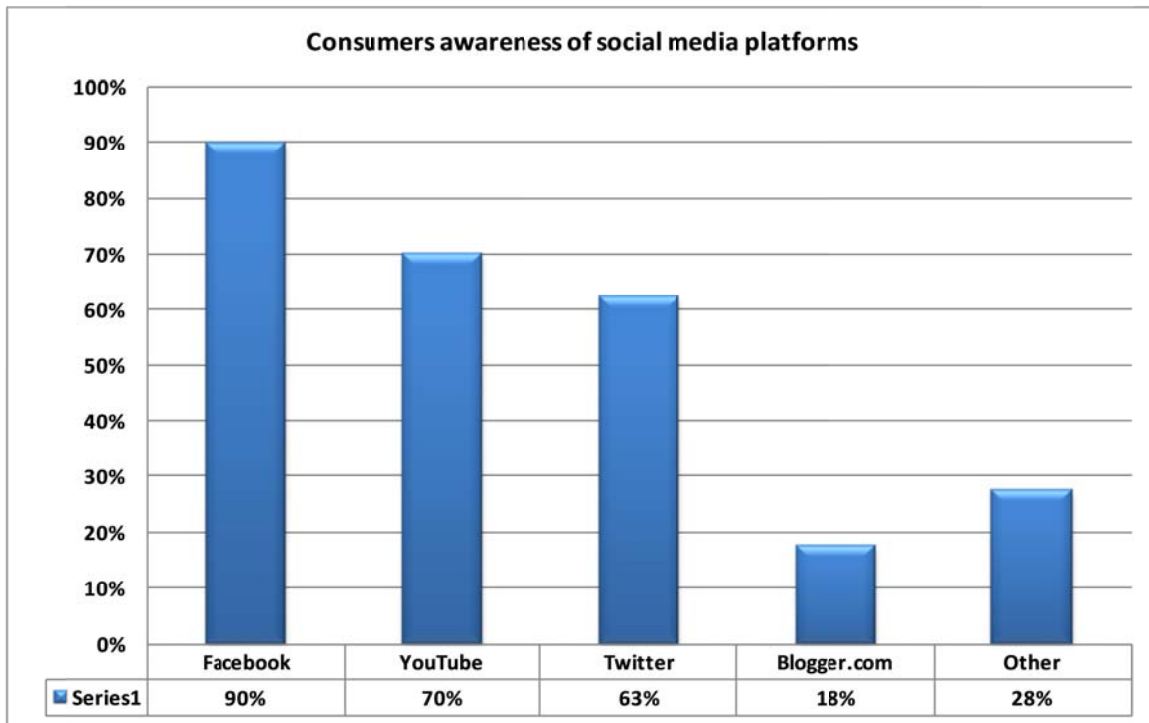
The implication of these results is that Facebook, followed by YouTube and Twitter could present CTSA with the opportunity to create brand awareness via social media marketing activities. This opportunity will be discussed in the recommendation in chapter six.

Figure 5.7: South African tyre consumer's participation on social media platforms
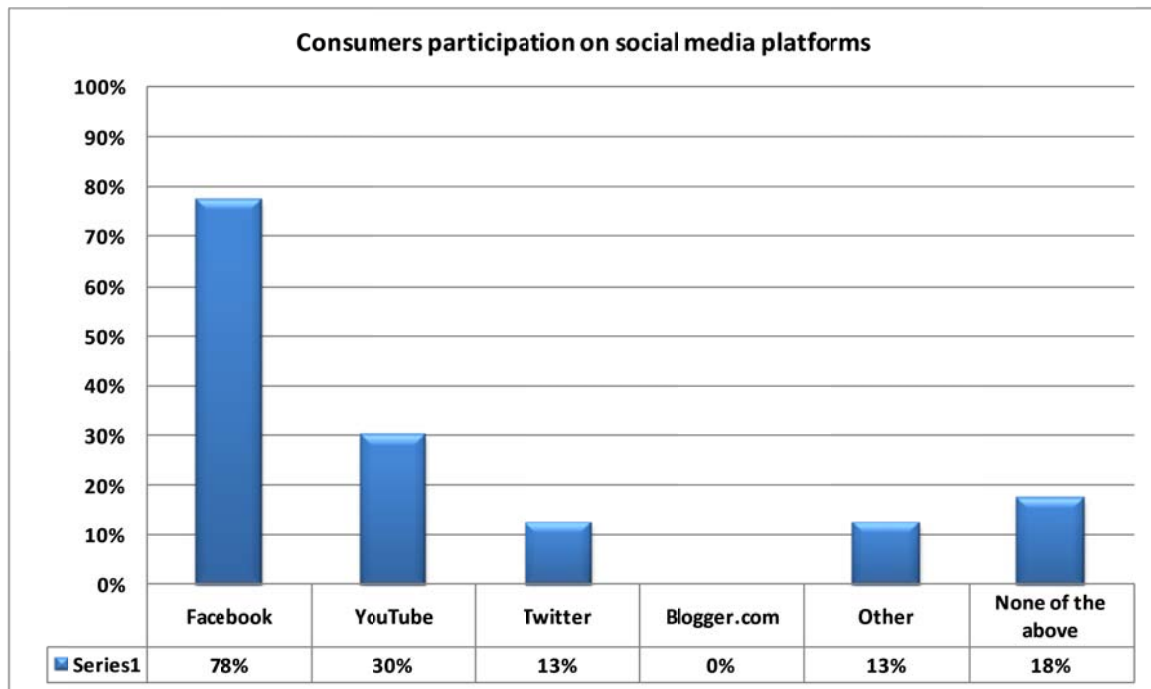

Series1	Facebook	YouTube	Twitter	Blogger.com	Other	None of the above
	78%	30%	13%	0%	13%	18%

Table 5.1: Analysis of consumer social media participation by age

Participation in social media / age	20-29	30-39	40-49	50-59	60-69	≥70	Average
Facebook	100%	77%	83%	60%	57%	100%	80%
YouTube	100%	54%	17%	20%	0%	0%	32%
Twitter	0%	23%	17%	0%	14%	0%	9%
Blogger.com	0%	0%	0%	0%	0%	0%	0%
Other	0%	23%	17%	0%	14%	0%	9%
None of the above	0%	15%	0%	60%	29%	0%	17%

Figure 5.6 in conjunction with figure 5.7 above; indicate that whilst 90% of respondents indicated that they were aware of Facebook, only 78% of respondents indicated that they participated on Facebook. The majority of Facebook users as per table 5.1 above were in aged between 20-49 years. The age group ≥70 years represents one respondent. Table 5.1 further indicates that participation on Facebook is followed by Twitter with 32% participation by the

88

respondents. Whilst this is the second highest result for this segment, participants on Twitter only represents 26% of total participants on Facebook. As per the results in figure 5.5 and figure 5.7, although all respondents indicated that they were *aware* of social media, 17% of respondents (mainly aged 50-59 years) did not *participate* in social media. Based on the number of participants by age (as depicted in figure 5.1) and the popularity of social media networking (as depicted in figure 5.7) age groups 30-39 years and 40-49 years stand out as potential target markets for CTSA's social media marketing strategies on social networking platforms.

The objective of CTSA's social media strategy is to appeal to South African tyre consumers to use social media as a research tool during their purchase decision journey. Recall that 100% of all respondents had access to the internet. A key consideration was, did South African consumers use the internet for general research? 95% of respondents stated "yes" and 5% stated "no". Of the 95% of respondents who used the internet for general research, only 50% used the internet to research tyre brands prior to final tyre purchase. Figure 5.8 indicates that of the 50% of respondents, who researched tyre brands, 40% visited tyre manufacturer websites and 30% visited tyre retailer websites to gather information. Only 8% of respondents considered social media as a research tool.

**Figure 5.8: Platforms used for online tyre research**
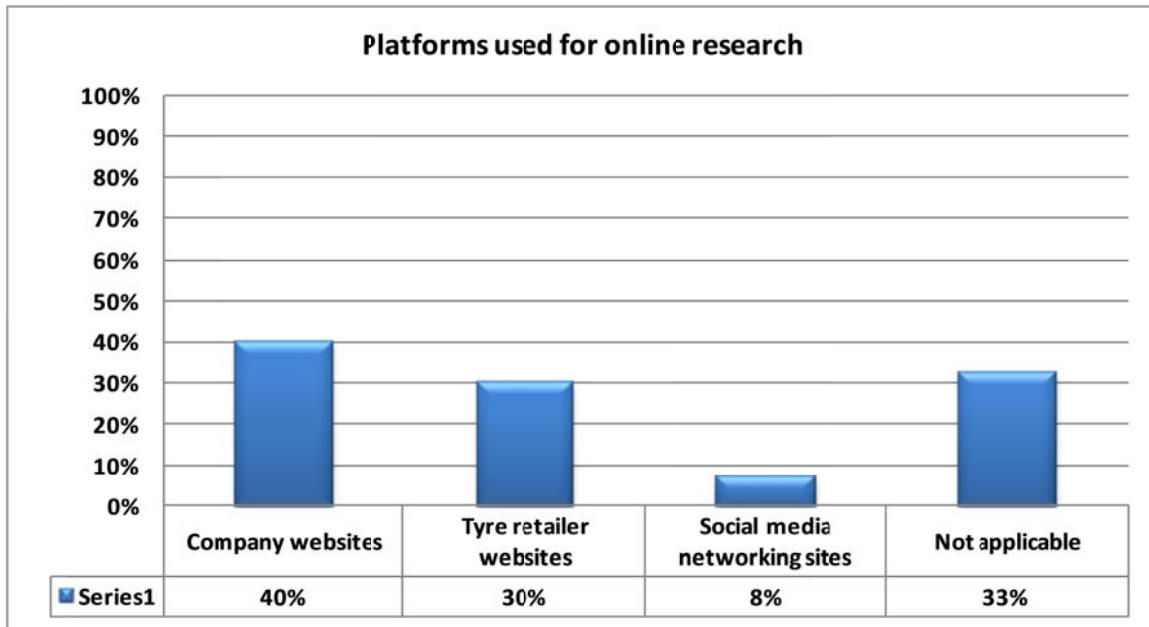
At present none of the local tyre manufacturers have launched social media as part of their marketing strategy. Based on the 8% response rate toward social media in figure 5.7, the respondents were asked to comment on social media marketing as a form of consumer-brand engagement.

5.2.4 ANALYSIS OF CONSUMER-BRAND ENGAGEMENT VIA SOCIAL MEDIA

Brand awareness and knowledge about the brand was discussed in chapter two as critical factors affecting brand equity. With the rapid growth of the internet and increasingly aggressive online marketing strategies by marketers, participants were asked to indicate which factors they believed would increase their brand awareness on a social media platform. The results are in depicted in table 5.9 below.

**Figure 5.9: Factors contributing to online brand awareness**
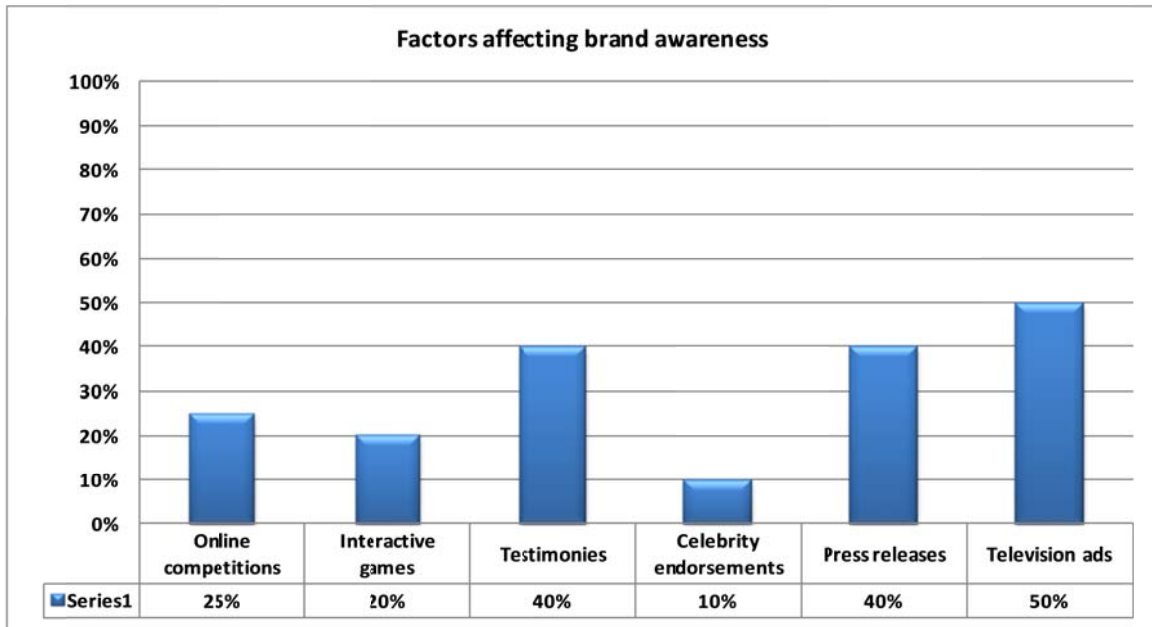
The research objective was to assess if South African consumers were interested in engaging with brands on social media platforms to learn more about the brands performance specification, price and capabilities. The research also questioned the South African consumer's willingness to engage with other consumers in online environments to discuss and/or recommend the brand thereby facilitating eWOM.

Figure 5.9 above indicates that whilst the majority of respondents indicated that online multimedia pages containing downloaded television advertisements would increase their brand awareness, 40% (majority of male and female respondents in this category) indicated that testimonies and press releases would encourage them to learn more about the brand. These results support eWOM which is a critical marketing tool in e-marketing and the consumer's purchase decision journey (Court *et al.*, 2009; Fauser *et al.*, 2011). Based on the results in figure 5.9, it is concluded that CTSA will have to ensure that their social networking platforms contains testimonies from regular consumers and press releases which

are valid, credible and current. This builds brand reputation and ultimately brand presence and brand equity in online market places (Rockendorf, 2011).

In addition to factors affecting brand awareness, participants in the study further indicated which factors would contribute to them learning more about the brands products (brand knowledge) via social media. The results are reflected in figure 5.10 below.

Figure 5.10: Factors contributing to online brand knowledge
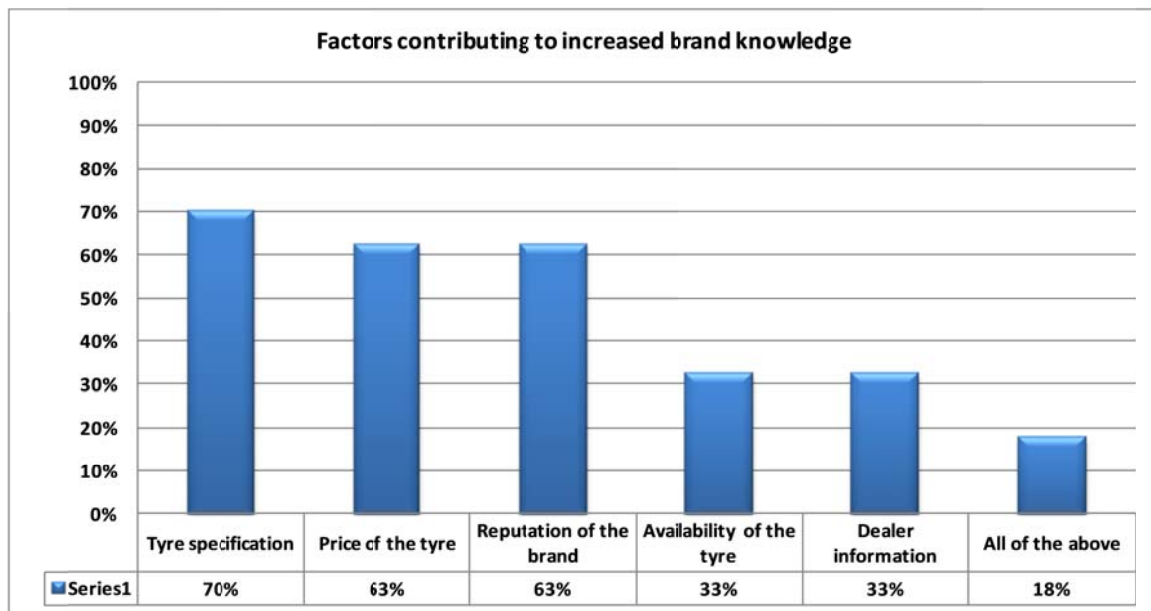
18% of respondents indicated that the following five factors as per figure 5.10 above were considered as important information when researching and learning about brands and its family of products:

- Tyre specification;
- Price of tyres;
- Reputation of the tyre brand;
- Stock availability of the tyre; and
- Dealer information.

The most important factors as per figure 5.10 were tyre specification, price of the tyre and reputation of the brand. These factors which are directly correlated to the brand itself were considered more important than the actual availability of the brand. Taking these factors into consideration, CTSA will have to ensure that their product fitment guides (which contains tyre specifications) and additional information regarding product information, recommended price lists and dealer information (dealer locators) are uploaded onto social media platforms and are maintained with current and credible information.

By providing information which could affect consumer's purchase decision criteria, marketers will be providing consumers with what they want (Fauser *et al.*, 2011). Marketers will be able to facilitate conversations with consumers; thereby allowing consumers to ask questions about the brand and received real-time feedback (Court *et al.*, 2009). This type of two-way communication builds a strong foundation for consumer-brand engagement. Communication is an important aspect in the post-purchase phase of the consumer's purchase decision journey and marketers need to encourage consumer-brand engagement and facilitate eWOM to other consumers (Court *et al.*, 2009; Fauser *et al.*, 2011).

5.2.5 ANALYSIS OF SOCIAL MEDIA TO FACILITATE WORD OF MOUTH

Once the consumer has purchased the brand, marketers have the opportunity to engage in after-sales service with the consumer via social media (Court *et al.*, 2009). It is important that the actual service the consumer receives throughout the consumer's purchase decision journey (both online and face-to-face) is of a professional and reputable standard. Consumers have the power to either positively or negatively reinforce a brand through online recommendations using social media (Rockendorf, 2011). Therefore it is critical that consumers are treated with respect and care to ensure that they have a positive purchase experience. This positive experience will result in consumers sharing their experiences, perception and opinions not only regarding the product but also

regarding the tangible and intangible service they received throughout the consumer's purchase decision journey (Rockendorf, 2011).

The research concluded by testing the final element in the conceptual framework; eWOM. Participants were asked if they would use social media as a forum to engage in eWOM; 65% of the sample responded "yes". This indicates that the majority of the participants would be willing to share their experiences, perception and opinions with other consumers in online environments. This final element brings the analysis of results to a conclusion.

5.3 SUMMARY

The results from the research analysis as discussed in chapter five, supports the literature by Court *et al.* (2009), Peppard and Butler, (2009) and Fauser *et al.* (2011) in their arguments that social media is a useful tool for marketers to engage with consumers during the consumer's purchase decision journey. The analysis further supports Continental's social media marketing strategy (Rockendorf, 2010) in that social media and the internet (i.e. company websites) must be utilised effectively to supply consumers with sufficient information in terms of the consumer's decision criteria. This will enable consumers to use social media and the internet as research tool to learn more about tyre brands and evaluate and compare the brand and/or product information. Based on the results from the field study, it is concluded that social media and the internet are appropriate marketing tools to reach out to the South African tyre consumers and encourage them to communicate and engage with the brand. The chapter that follows summarises the key findings from the research analysis and provides final recommendations regarding social media marketing strategy in the tyre industry to CTSA.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

The literature reviews in chapters two and three revealed that many modern consumers seeks peer advice over social networks thus social media has promoted consumer-to-consumer communication and has made it possible for consumers and brands to interact with each other (Mangold and Faulds, 2009). The main objective of the research study was to assess South African consumer's attitudes towards online research, specifically the impact of social media as a research tool during the consumer's decision making process in the tyre industry.

Social media has allowed for increased situational awareness in terms of a changing environment (Mayfield, 2011) thus social media marketing is playing an increasingly important role in marketing (Cuming, 2008). It was further concluded that whilst social media marketing presents marketers with a more cost effective form of marketing, further research regarding South African's online purchasing activities would be required to assess if the time, money and resources required to manage social media marketing for CTSA would be beneficial to the organisation.

Based on the literature review in chapters two and three, the author designed a research instrument (a questionnaire) to research the main problem. Chapter five presented the analysis of results from the field study. The chapter that follows summarises the key points from the literature review and the main findings from the analysis of results. The chapter concludes with recommendations for CTSA's social media marketing strategy.

6.2 SUMMARY AND DISCUSSION OF KEY FINDINGS RELATING TO SOCIAL MEDIA MARKETING STRATEGY

The literature review outlined the importance of the marketing mix in marketing strategy; more specifically communications and customer relationships were highlighted as core components to marketing strategy. In order to be successful at communicating with consumers and building and maintaining long term relationships with them, marketers must ensure that they communicate with consumers during all stages of the consumer's purchase decision journey (Court *et al.*, 2009). Recall from chapter two figure 2.4, consumers move through five stages during their purchase decision journey:

- **Awareness**: The problem recognition stage (Peppard and Butler, 1998);
- **Familiarity**: The stage where consumers take action to gain knowledge about products and services (Peppard and Butler, 1998);
- **Consideration**: Consumers consider the relative importance of each of the brand's attributes by making trade-offs at each of the attribute levels (Reid *et al.*, 2009);
- **Purchase**: Consumers make the decision of which brands to purchase (Pride and Ferrell, 2010); and
- **Loyalty**: Consumers begin to evaluate the entire process from the awareness stage to their current stage (Windham and Orton, 2000).

These stages served as the basis for identifying specific social media marketing strategies that CTSA could engage in, in order to generate and maximise brand awareness. The significance of this assessment was to test if brand exposure through the internet and social media marketing would encourage South African consumers to engage in online research for tyre purchases. The strategies included consumer-brand engagement and eWOM over the internet and social media. These strategies were identified in the literature review and elements of these strategies were tested during the field study. As per the conceptual framework in chapter four (figure 4.2), the study was segmented into three elements:

- The internet and social media;

- Consumer-brand engagement; and

- Online recommendations.

6.2.1 THE INTERNET AND SOCIAL MEDIA

In terms of the internet and social media, the findings revealed 88% of respondents used the internet for research and 33% of respondents participated on social media platforms. The majority of respondents were white males and were aged between 30-49 years. These respondents showed positive attitudes towards social media platforms such as Facebook and Twitter and spent around 5-10 hours on the internet per day. The majority of total respondents (78%) participated on Facebook. This high rating indicates that the majority of respondents have access to the internet and are knowledgeable about social media networking and collaboration on the social media platforms.

The research revealed that whilst 88% of respondents used the internet for general research, only 40% utilised tyre manufacturer websites and 30% used tyre retailer websites for online tyre research. 8% used social media platforms to find information on tyres in South Africa. 33% of respondents did not use the internet for online research for tyre purchases. This indicates that CTSA will need to engage in aggressive traditional marketing (example radio, print and television) in order to drive consumers to engage in their social media platforms.

6.2.2 CONSUMER-BRAND ENGAGEMENT

Feedback from the respondents indicated that television advertisements, testimonies, press releases, online competitions and interactive games would increase their brand awareness for tyres on social media networks. By providing consumers with this type of engagement, CTSA would be able to "pull" consumers to its social media sites (online competitions), inform them about the product specifications and capabilities (advertisements, press releases and interactive games) and allow consumers to share their thoughts and opinions

with each other (sharing of testimonials). This would promote knowledge and information sharing between CTSA and its consumers, promote brand awareness and consumer engagement.

6.2.3 ONLINE RECOMMENDATIONS

The results indicated that consumers considered the reputation of the brand and availability of the tyre brand when purchasing tyres. The respondents indicated that if they had to research a brand, the first aspect they would consider is the brand reputation followed by stock availability of the brand at the nearest dealer. Aftersales support and real time feedback were key factors affecting customers repeat purchases of the tyre brand. The implications for CTSA is that the marketing department would need to ensure that there is sufficient information (brand awareness) available online for consumers to make informed decisions based on quality, specification and price of the tyre. CTSA will need to ensure that the tyre dealerships have sufficient stock to accommodate the requests of consumers and that the dealerships are trained with sufficient knowledge to provide expert advice to consumers during fitment. This will result in professional service. If consumers are satisfied with the level of information they are able to receive online and with the level of customer service at tyre dealerships, they will be inclined to engage in social media and share positive experiences of the tyre brand with fellow consumers. This will result in positive eWOM.

6.3 RESOLUTION OF THE MAIN RESEARCH PROBLEM AND RESEARCH QUESTIONS

The main problem which this study aimed to address was South African consumer's attitudes toward online tyre research; specifically the impact of social media marketing as a research tool during the consumer's decision making process when purchasing tyres. The main problem was addressed through the research questions as follows:

Research question 1

- What are the key elements contributing to effective marketing strategy?

This research question was addressed in the literature review in chapter two. An effective marketing strategy must ensure that it communicates the value proposition to consumers as they move through a purchase decision making process. This strategy must include the 7P's; product (value proposition), price, promotion (communication), place (distribution channels), process, people (consumers-brand engagement) and physical evidence. Effective marketing strategy ensures that the brand "talks" to consumers.

Research question 2

- What is an ideal social media marketing strategy?

This research question was addressed in the literature review in chapter three. An effective social media marketing strategy must ensure that it contains promotional offers which communicates the brand's presence in online market places, encourages brand familiarity and establishes confidence in the brand in the mind of the consumer. These social media marketing strategies must provide consumers with product and brand information, provide consumers with real time feedback, must ensure ease of online navigation to access information, utilise the power of stories (testimonials), promote customer focused promotional messages and facilitate collaboration amongst consumers and the brand. Real time feedback is core to social media marketing as it creates, builds and maintains relationships with consumers.

Research question 3

- What are the perceptions of South Africans consumers regarding social media as an interactive channel of communication between consumers and brands?

Most of the respondents from the field study stated that they did not engage in online research for tyre purchases. Whilst 18% of respondents did not participate on social media, all participants responded positively that if there were "pull" factors and hype to the social media pages, they would be willing to engage with tyre brands online in order to learn more about the brand. The study indicated that the following were considered as important "pull" factors:

- Ease of navigation through social media pages;
- Brand loyalty rewards system;
- Real time customer feedback;
- Quality of information available to consumers;
- Online advertising;
- Online newsletters;
- Online competitions; and
- Interactive games to test products in simulated online environments.

Research question 4

- Does social media marketing present an opportunity for CTSA to reach consumers in online environments?

Based on the answers to the research question above as discussed in chapter five, it is clear that there is opportunity for CTSA to reach consumers in online environments. The internet and social media represents a communication channel for CTSA and should be integrated as part of CTSA's communication activities. Key tasks would include creating online brand awareness by informing consumers about the Continental brand and Continental group. These activities must create a "pull" effect and increase the likeliness for positive buying decisions (Rockendorf, 2011). The resolution to this research question is addressed in the research recommendations below.

6.4 RECOMMENDATIONS

Recommendation 1

Plan detailed steps for social media marketing strategy:

- Identify the target audience. Based on the research study, appropriate target audiences are males and females aged between 30-49 years of age. CTSA needs to be clear on what specifically motivates consumers on social media. Based on the results of the research study, it is clear that real-time customer feedback, online news letters, online competitions and a loyalty rewards programme appeals to consumers. CTSA would need to create a dedicated social media team to manage consumer-brand engagement. CTSA would also need to ensure that there are current newsletter, press releases and sufficient *ad hoc* competitions to "pull" consumers;

- Develop a marketing campaign to launch social media and attract consumers to CTSA's social media pages. The campaigns must focus on raising brand awareness, promote a favourable brand image and create a "buzz" in the online market place. The campaign must appeal to consumers; and

- The campaign must be interactive to promote consumer-brand engagement and promote consumer conversations about the brand. This in turn will provide CTSA with new insights on the targeted markets.

Recommendation 2

Identify appropriate social media platforms to launch of social media marketing:

- Based on the research analysis in chapter five, it is clear that the most appropriate social media platforms for CTSA to launch social media marketing activities are Facebook and Twitter.

Recommendation 3

The social media marketing strategy must have sufficient budget to create, run and promote social media marketing activities:

- CTSA must ensure that there is sufficient budget available to develop creative artwork for the fan pages (production costs) and to develop interactive games to attract and retain social media fans; and

- Social media requires constant monitoring and real time feedback to ensure consumer brand engagement. Therefore CTSA will need to ensure that they are resourced appropriately so that social media has sufficient resources dedicated to "talking" to and engaging with consumers.

Recommendation 4

Determine metrics to evaluate the success of social media marking and assess its effectiveness:

- Social media platforms provide users with analytics to assess the growth and functionality of their social media pages. On platforms such as Facebook and Twitter, this includes viewing the number of visitors per day, the number of *likes* per comments and the number of comments per day; and

- CTSA must select the most appropriate analytical tools in order to assess key performance indicators and return on investment.

6.5 THE ACCOMPLISHMENT OF THE RESEARCH OBJECTIVES

The objectives of this study were:

- **Internet and social media:** The research objective is to assess if marketing activities to stimulate the need for the brand or product through aggressive online marketing communication (brand awareness) will be effective through company websites and/or social media platforms.

- **Brand-consumer engagement:** The research objective is to assess if consumers are interested in engaging with brands (via marketers) on social media platforms to increase their knowledge about the brands performance, specification, capabilities and price.

- **Online recommendations:** The research objective is to assess if consumers are willing to engage in word of mouth (WOM) by sharing

opinions, perceptions and experiences regarding tyre brands and tyre purchases with other consumers.

All three objectives were accomplished through the research field study.

6.6. RECOMMENDATIONS FOR FUTURE RESEARCH

The final question in the research study was:

Would you consider ordering and paying for your tyres online?

This question was out of scope for this study, however it was used as determinate to assess if South African consumers were willing to order and purchase tyres online. The response to this answer would enable the researcher to assess if there was opportunity to further investigate the possible of implementing an online order-to-delivery system at CTSA. 48% of respondents responded positively. Continental AG is in the process of rolling out online order to delivery systems however further research will be required to assess if this system will be successful in the South African market. CTSA would need to engage in business to business research in order to assess if social media marketing could promote an order to delivery system for the South African tyre market.

6.7 SUMMARY

The main purpose of social media is connectivity; the ability to meet new people, create new contacts and develop networks and create new customers and business associates (Mayfield, 2011). If managed and maintained appropriately, organisations can utilise the power of social media marketing to promote its brand, gain insight into the market and assess how consumers feel about its brands (Court *et al.*, 2009). As thousands of users visit social media platforms daily, social media marketing allows marketers to reach and talk to a mass audience at little or no cost (Fauser *et al.,* 2011).

Social media marketing presents CTSA with first mover advantage as no other local tyre manufacturer has a presence on social media. CTSA will need to engage in an aggressive traditional marketing campaign in order to drive consumers to engage in the social media campaigns. Strategies must include dedicated fan pages, online banners, and online advertisements. By engaging with consumers on social media, CTSA will be able to assess how consumers are viewing their brands, assess how consumers feel about the competition and allow the marketers to understand what consumers are looking for. This presents CTSA the opportunity to engage in real time with its consumers, improve on service delivery and aligns its brand strategies to ensure that the future generation products are in accordance with the markets needs and wants; this is the core of marketing strategy.

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Annexure A: Research Questionnaire

This questionnaire is for a student from the Nelson Mandela Metropole University's MBA research study that relates to tyre purchases. Please assist us by spending some time answering a few questions while you wait for your vehicle?

All information is strictly confidential and will not be used for any other purpose other than the MBA research study.

Demographic Information

Age: ☐☐

Gender: ☐ Male ☐ Female

Population group:
☐ a) Black
☐ b) Coloured
☐ c) Indian
☐ d) White
☐ e) Asian

Vehicle Make: _____ (eg. VW Polo 1.4 or Opel Corsa 1.6)
(Year of manufacture eg. 2008)

Tyre brand purchased: _____

Tyre size purchased: _____ (eg. 185/60 R14)

Social Media related questions

Q1) Do you have access to the internet?		No		Yes

Q2) How do you access the internet? Select all that apply:		a) Personal computer
		b) Computer at work
		c) Internet cafe
		d) Mobile telephone
		e) Not at all

Q3) How many hours per week do you spend on the internet?		a) 1hr – 4hrs
		b) 5hrs – 10hrs
		c) 10hrs- 20hrs
		d) 20hrs – 40hrs
		e) More than 40hrs
		f) Not at all

Q4) From the list below, please select the top three reasons why you use the internet.		a) Email
		b) Research / general information
		c) Internet banking
		d) Online shopping
		e) Entertainment
		f) Social networking

Q5) Are you aware of social media?		No		Yes

Q6) Which of the following social media sites are you **aware** of?		a) Facebook
		b) YouTube
		c) Twitter
		d) Blogger.com
		e) Other

Q7) Which of the social media sites listed below do you **use**?		a) Facebook
		b) YouTube
		c) Twitter
		d) Blogger.com
		e) Other
		f) None of the above

Q8) Have you previously used the internet to learn more about **products?**		No		Yes

Q9) Have you previously used the internet to learn more about **tyres?**		No		Yes

Q10) Which internet sites did you use to learn more about tyre brands?		a) Company websites (e.g. Goodyear, Continental, Pirelli, Michelin)
		b) Tyre retailer websites
		c) Social media networking sites

Q11) Which of the factors listed below would help you to learn more about tyre brands by engaging in social media? Select all that apply:		a) Online competitions
		b) Interactive games
		c) Testimonies
		d) Celebrity endorsements
		e) Press releases
		f) Television ads

Q12) From the list below, which tyre brand would you most likely *"like"* on Facebook? Please select one:		a) Goodyear
		b) Michelin
		c) Pirelli
		d) Continental
		e) Dunlop

Q13) What information would you consider most useful when learning about tyres online? Select all that apply:		a) Tyre specification
		b) Price of the tyre
		c) Reputation of the brand
		d) Availability of the tyre
		e) Dealer information

Q14) Which of the factors listed, would encourage you to purchase a tyre online? Select all that apply:		a) Ease of navigation through website
		b) Website security
		c) Prior experience with online shopping
		d) Quality of online tyre information provided
		e) Recommendation from another consumer (word of mouth)
		f) None of the above

Q15) If you had to use social media, which of the factors listed would encourage you to revisit the tyre brand's social media page? Select all that apply:		a) Online competitions
		b) Real-time customer feedback
		c) Online advertising
		d) Online newsletters
		e) Interactive games
		f) Rewards system / loyalty programme
		g) None of the above

Q16) Would you use social media networks as a means to communicate you opinions of tyre purchase experience to your friends and family?		No		Yes

Q17) Would you consider **ordering and paying** for your tyres online?		No		Yes

Enter the Easter Survey Competition using the attached entry form and you could win a easter hamper.
Thank you for your time, we wish you a happy and safe easter!